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Title: **Freightliner Corporation and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) Local 3520 (2003)**

K#: **4215**

Employer Name: **Freightliner Corporation**

Location: **NC Cleveland**

Union: **International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)**

Local: **3520**

SIC: **3711**

NAICS: **336211**

Sector: **P**

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K#4215

2500 ea

AGREEMENT

BETWEEN

FREIGHTLINER
LLC

A DaimlerChrysler Company

TRUCK PLANT & PDI CENTER
Cleveland, North Carolina

AND



15700

**INTERNATIONAL UNION,
UAW
LOCAL 3520**

DECEMBER 20, 2003
to
MARCH 31, 2007



5/24/04

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PREAMBLE

Section 1.

The successful operation of the Company's business is hereby declared to be of mutual interest and both parties hereto desire to preserve, promote, and improve industrial and economic relationships, safety, cleanliness and economy and to improve and increase the quantity and quality of work performed. The Company and the Union recognize the principle of a fair day's work for a fair day's pay.

Section 2.

The Company and the Union recognize the principle of a fair day's work for a fair day's pay. In general, a fair day's work is one that is fair to both the Company and the employee. This means that the employee should give a full day's work for the time that he or she gets paid, with reasonable allowance for personal delays and fatigue. He or she is expected to operate in the prescribed method at a pace that may be considered representative of all-day performances by the experienced, cooperative employee.

AGREEMENT

This Agreement, made this 20th day of December 2003, by and between Freightliner Corporation, (hereinafter designated as the "Company") and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, on its own behalf and on behalf of its Local No. 3520 (hereinafter referred

to as the "Union") covering employees in its bargaining unit at 11550 Statesville Boulevard, Cleveland, North Carolina (the Truck Manufacturing Plant) and 260 Bear Poplar Road, Cleveland, North Carolina (the PDI Center). (Whenever the term he, him, his, etc. are used in this Agreement, it shall be considered to have the same intent and meaning of equal application to the female gender.)

WITNESSETH. That the parties mutually agree as follows:

ARTICLE I RECOGNITION

The Company recognizes the Union as the exclusive representative for Production and Maintenance employees at its production facility located at 11550 Statesville Boulevard, Cleveland, North Carolina, and at its PDI Center located at 260 Bear Poplar Road, Cleveland, North Carolina, for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment covered by this Agreement. Whenever used in the Agreement, the word "employee" shall mean any person employed in the unit as defined in the Recognition Agreement signed by the Union and the Company on January 29, 2003, and the NLRB Certification for the PDI Center case 11-RC-6528 dated May 16, 2003, excluding office clerical, supervisors, and guards as defined by the Act.

ARTICLE II MANAGEMENT'S RIGHTS

Except as otherwise expressly agreed and specifically limited or restricted by a provision of this Agreement, the Company has and shall retain the full rights of management and direction of the plant and its operations. Such rights of management include, among other things, but are not limited thereto, the right to plan, direct, control, increase, decrease or discontinue operations in whole or in part; to shift products to be manufactured; to subcontract work; to change machinery, methods, facilities, areas of production and types of products to be manufactured in the plant; to introduce new methods, techniques or machines; to change or discontinue any procedure used in connection with manufacture or maintenance; to determine the layout of the plant, the size and character of inventories; to establish, modify or change work schedules or standards; to demote or impose discipline up to and including discharge for just cause; to add to or reduce the number of shifts; to determine the number of employees it shall employ at any time and the qualifications necessary for any of the jobs that it shall have or may create in the future; to assign work duties on regular and overtime work in accordance with the Overtime Article and its determination of needs of the respective jobs and operations to adopt and from time to time modify, rescind, or change plant safety and work rules not inconsistent with the express terms of the Agreement and to enforce such rules; to establish and exercise its judgment as to the standards of quality and quantity required; to hire, promote and transfer employees; to determine the

policies affecting the selection and/or the training of new employees; to select supervisory and other categories of employees excluded from this Agreement; to move, sell, close, liquidate, or consolidate the plant in whole or in part and to separate its employees in connection therewith.

It is expressly understood and agreed that all the rights heretofore exercised by the Company or inherent in the Company as the owner and operator of the business or as an incident to the management thereof and not expressly contracted away by a specific provision of this Agreement are retained solely by the Company and may be impaired only with the express consent of the Company.

ARTICLE III REPRESENTATION

Section 1. The Union shall be represented in the plant by one (1) full-time Representative on the day shift. One (1) Representative shall be elected or appointed to serve as Local Union Shop Chairperson. Additionally, there shall be one (1) Representative appointed by the Vice President/Director of the Heavy Truck Department to serve as a part-time Benefits Representatives for 24 hours per week. There shall be another part-time Representative appointed by the Vice President/Director of the Heavy Truck Department to serve as the Health and Safety Representative for 24 hours per week. In addition, an appropriate number of shop Committeepersons will be recognized as provided for in Section 2 below. At the time of their election or appointment to office, all Committeepersons and

Representatives shall be employees on the active payroll of the Company. At that time, the Union will provide written notice to the Company that an employee is authorized to act on behalf of the Union.

Section 2. The calculation of Committeepersons, who will be apportioned on the basis of one (1) per every 150 bargaining unit employees, or a major portion thereof, is based upon increases of the plant population above 226 bargaining unit employees. However, in the event that the total bargaining unit employees is reduced below the 226 employee mark, Committeeperson(s) will be retained on the basis of one (1) per every 150 bargaining unit employees, or a major portion thereof on each shift, in the plant. The Company will recognize one committeeperson for the 3rd shift/off shift as long as constituents are assigned.

Section 3. Alternate Committeepersons for each area and Representatives will be permitted to function when the regular Committeeperson or Representative is absent from work. The Union will notify the Business Unit Managers when an alternate is acting in place of a Committeeperson or Representative.

Section 4. Committeepersons will handle grievances in Steps 1, 2 and 3 of the grievance procedure only for employees in their respective area of jurisdiction within the plant.

Section 5. No employee shall stop his assigned work for any purpose related to the investigation or settlement of a grievance without promptly requesting per-

mission of his supervisor to do so, which shall normally be granted within thirty (30) minutes, unless it regards an immediate safety issue.

Section 6. *Should a Committeeperson wish to discuss a grievance with an employee, he shall make his desires known to his supervisor and request permission. If the discussion requires him to enter a work area other than his own, he shall report to the supervisor of that area, state his reason for being there, and request permission to meet with the employee with whom he needs to speak. It is understood that where the above discussions are permitted, they will be as brief as possible and Committeepersons and employees will promptly return to their jobs.*

Section 7. *Where grievance handling activities occur during regular working hours, the Committeepersons will not lose pay. It is understood that the time so spent will be reasonable. Where such activities extend beyond regular working hours, overtime pay will only be given upon prior consent of the Company. The Company will grant time to handle grievances upon request of the Committeeperson. It is understood that such requests will normally be granted within one (1) hour or as soon as reasonably practicable if circumstances prevent the immediate release of a Committeeperson to handle a grievance.*

Section 8. *If the Company believes that the use of representation time is being abused, a meeting will be scheduled with Representatives of the International Union, for the purpose of discussing the alleged abuse and to take appropriate action to eliminate any abuse that is found to exist.*

Section 9. Any and all activities not related to the Grievance procedure or other matters expressly provided for in this Agreement will be considered Union business and will not be conducted on Company premises or during Employees' working hours.

Section 10. The one (1) full-time Representative of the Union shall be paid by the Company, at the straight time rate of their regular classification for fifty (50) straight-time hours per week.

Section 11. When employees are working overtime in a Committeeperson's area, the Committeeperson from such area shall be included in the overtime work group. In the event the Committeeperson is not able to perform the work, or is unavailable, an alternate Committeeperson or one (1) of the Representatives may be scheduled to work.

Section 12. It is understood by the Company that the one (1) full-time Union Representative specified in Article III of the Labor Agreement will have all such time counted as time worked for all purposes under the contract and related benefit plans, including but not limited to: the Pension Plan; the Life, Accident and Disability Plans; the Health Care Plans; Holidays, Vacations; and the Employee Retirement Savings Plan (401(K)).

ARTICLE IV NOTIFICATION

Section 1. The Union shall furnish the Company with a list of employees acting in the capacity of Shop Committeeperson and their alternates. The Union will also furnish a list of the names of all officers of the Local Union.

Section 2. All supervisors will be authorized to handle grievances at the first step of the procedure. Additionally, the Corporation will furnish the Union a list of all supervisory personnel quarterly.

Section 3. The Company shall furnish the International Union and Local Union with three (3) lists of the names of all employees in the bargaining unit together with their last known mailing addresses, telephone number and employee identification number as reflected in the Company's personnel records through information supplied by the said employees. Thereafter, at quarterly intervals, the Company shall supply the Union with appropriate revisions and additions to such mailing list. It is expressly understood that the use of such mailing lists shall be restricted to appropriate Union purposes and the information thereon shall not be disclosed to any third parties.

All employees are encouraged to provide a telephone number through which they can be contacted.

Section 4. The Company will keep the Union informed of changes in any bargaining unit employee's status as they occur by providing the Union with a copy

of the Company's PAF Form within three (3) working days with the exception of temporary assignments when PAF Forms are not used.

ARTICLE V SENIORITY

Section 1. An employee's seniority shall be computed; from the time of initial employment; by the Employer in any capacity within the bargaining unit, except that a new employee shall be on probation for the first forty-five (45) days worked. After the forty-five (45) days worked, a new employee shall be placed on the seniority list and given seniority rating as of the first day last hired by the Employer. Retention or termination of probationary employees shall be at the Employer's sole discretion and specifically excluded from the grievance procedure. Except for reason related to illegal discrimination or union affiliation. Retention or termination of probationary employees shall not be based on illegal discrimination and/or union affiliation.

Section 2. Seniority shall be lost and employment terminated for any of the following reasons:

- A. Voluntary resignation;
- B. Discharge for just cause;
- C. Retirement;
- D. Three (3) working days unreported (absence without notification to the Company for three (3) consecutive working days) unless the absence is of

such a serious nature that it was impossible for the employee to provide or arrange for the provision of the required notification to the Company and is substantiated by medical documentation;

- E. Absence for five (5) consecutive working days without a reasonable excuse satisfactory to the Company.
- F. Failure to report to work within three (3) working days following notification of recall from layoff. However, it is understood and agreed to by the parties that this three (3) working day rule will be automatically extended to seven (7) working days if the laid-off employee has taken work with another company during such period of layoff.
- G. Layoff or medical leave of absence for a continuous period of time exceeding the applicable accumulation limit. Seniority shall continue to accumulate during periods of layoff or medical leave of absence for an employee with seniority for a period equal to such employee's service with the Company or a minimum of thirty-six (36) months. During the 2003 negotiations, it was agreed that during the life of this agreement, no employee will lose seniority due to layoff.

Section 3. It shall be the responsibility of the employee to keep both the Company and the Union informed of current address. During periods of layoff, the employee shall provide notice in writing of any change in address. Failure on the part of the employee to keep the Company informed of the correct address releases

the Company of any responsibility of any back-pay liabilities for failure to be recalled by seniority. Upon notice of recall by certified mail, the employee shall report to work within three (3) working days. The three (3) working days provision may be extended at the Company's discretion upon reasonable and acceptable proof of failure to report to work but not to exceed seven (7) days.

Notice of loss of seniority and termination will be given to the employee involved at the employee's last known address, in writing, promptly after an entry to that effect is made in the personnel records of the Company.

Section 4. A seniority list shall be prepared by the Employer each three (3) months for all employees covered by this Agreement and posted in one (1) agreed central location in the plant. The Union shall receive a copy of this list. The employee with the most Company seniority will be first on the list and the employee with the least Company seniority will be the last. During periods of layoff, a seniority list of employees on layoff will similarly be provided to the Union.

Should any objections arise to seniority listing, such objections shall be made within thirty (30) days after posting the roster, with the exception that any employee who is off work due to injury, illness or layoff at the time of posting the roster shall have a thirty (30) day period after returning to work to enter such objection.

Section 5. Commencing after ratification of this Agreement, employees who are transferred or pro-

moted to positions within the Company outside of the bargaining unit and are subsequently separated from that job, will not have the opportunity to return to a job in the Bargaining Unit.

Section 6. Notwithstanding their natural seniority, all active Committeepersons under Article III, Sections 1 and 2, who are involved in contract administration activities shall be deemed to have the top seniority for purposes of layoff and recall provided they are qualified to perform available work. During periods of layoff and recall, the President of the Local Union, Shop Chairman, Health and Safety, and the Benefits Representatives shall be deemed to have the top seniority in the Plant.

Section 7.

Step 1. For the purpose of establishing seniority, employees with the same hire date will be rank ordered (top to bottom) alphabetically based on the first letter of their last names. Among a group of employees with the same hire date, those with the first letter of their last names coming closest to the beginning of the alphabet will be considered to have more seniority than those with the first letter of their last names coming farther down the alphabet.

Example:

<u>Name</u>	<u>Hire Date</u>
Eric Dolata	10/25/89
Georgetta Paulin	10/25/89*
Jimi Proctor	10/25/89
Gary Speth	10/25/89

Among these employees, Eric Dolata is the most senior followed by Georgetta Paulin, Jimi Proctor, and Gary Speth in rank seniority order.

Step 2. Employees who have the same hire date and the same first letter of their last names will be rank ordered (top to bottom), for purposes of seniority, according to the subsequent letters in their last names.

Example:

<u>Name</u>	<u>Hire Date</u>
Loretta Carr	10/25/89
Thomas Carver	10/25/89
Donna Collins	10/25/89
Ray Curry	10/25/89

Among these employees, Loretta Carr is the most senior followed by Thomas Carver, Donna Collins, and Ray Curry.

If two (2) or more employees have the same last name, first names and then middle initials will be considered in the same manner.

Step 3. Employees who have the same hire date and same name (Last, First, and Middle Initial) will be rank ordered (top to bottom) for purpose of seniority, according to the Representative value of their Social Security number in the following manner:

Add the last four digits of the employee's Social Security number together, and the employee with the highest total will have the most seniority. If the sum total of the last four digits is equal, the middle

two numbers will be added together and, if necessary, the first three digits.

Example:

<u>Soc. Sec. #</u>	<u>Name</u>	<u>Hire Date</u>
*243-78-8190	Michael D. Fulbright	10/25/89
245-80-2631	Michael D. Fulbright	10/25/89
268-58-2206	Michael D. Fulbright	10/25/89
247-61-2710	Michael D. Fulbright	10/25/89

In the above example, the employees are ranked in seniority order by the value of their Social Security number.

Step 4. In all instances, whether they be layoffs, recalls, promotions, transfers, or otherwise, where it has been designated that an employee's status is to be determined specifically by seniority, the above procedures will apply.

Step 5. In the application of this procedure, the employee's name, as of their hire date, will be used thereafter for the purpose of determining their seniority ranking.

Example:

<u>Nm. When Hired</u>	<u>Nm. Changed To</u>	<u>Nm. for Sen. Ranking</u>
Mary Ann Adams	Mary Ann Williams	Mary Ann Williams - (Adams)

Section 8. The Company agrees that when new job opportunities exist at the Cleveland TMP and PDI Center covered by this agreement, the Company will give first consideration for hire to those Cleveland TMP and PDI

Center employees that have lost their recall rights as a result of being laid off for a period of time longer than the seniority that they previously possessed before the Company hires new (non-former) employees.

Section 9.

Unless otherwise specified in this agreement, the only use of temporary employees shall be as defined below:

1. Temporary employees shall only be used as summer vacation replacements.
2. Employees who are on layoff who decline the opportunity to return for temporary summer employment shall not lose seniority.
3. Employees who do return to temporary summer employment shall retain their original layoff date.
4. Each year laid off employees will be offered temporary summer employment beginning with the most senior employee on layoff and in descending order thereafter.
5. All other provisions of the agreement will apply to these employees, except as specified in Article XII, Section 1.
6. Temporary employees may exercise shift preference among other temporary employees by seniority at their time of initial placement. In the event it is necessary to transfer temporary employees outside their initial work group. It will

be done in consideration of seniority and their ability to do the job.

ARTICLE VI GRIEVANCE AND ARBITRATION PROCEDURE

The Union and the Company encourage all employees to discuss and fully disclose to their supervisor any problem or complaint in an effort to resolve such problem or complaint before resorting to the grievance procedure. If after the employee has shared the facts of the matter with his supervisor, he requests his Committeeperson, the Company will summons the Committeeperson and no further inquiries will be made by the Company until the Committeeperson arrives.

Should a grievance occur, all parties involved shall make an earnest effort to ascertain the facts and seek a fair and equitable settlement through the use of the following procedure. Neither party will burden the formal grievance procedure with insignificant matters or cases unsupported by the facts or common sense.

If the complaint is not raised within two (2) working days, it shall be deemed abandoned and not entitled to consideration thereafter, unless the employee(s) were not aware of the facts leading to the grievance.

Section 1.

Step 1. In the event that the complaint is not settled between the employee and his immediate supervisor within three (3) working days from the time it is raised, it will be reduced to writing on an

agreed-upon form provided by the Union, and presented to the employee's Supervisor by the Committeeperson. The Supervisor's answer will be given in writing and placed in the designated Union office box within three (3) working days after receipt of the grievance.

Step 2. If the grievance is not settled at Step 1; it may be presented to the Department Manager, by the Committeeperson within three (3) working days after receipt of the Supervisor's answer in Step 1. The Business Unit Manager's answer will be given in writing and placed in the designated Union office box within three (3) working days.

Step 3. In the event the Business Unit manager's answer is not satisfactory, the Committeeperson may, within five (5) working days of the Business Unit manager's answer, request a meeting in writing with the Human Resources Manager to discuss the grievance. The Step 3 meeting will include the Plant Manager or his designee, the Human Resources Manager or his designee, and other Management representatives as deemed appropriate by the Company and one (1) or two (2) Representative(s) of the International Union, the Committeeperson who has handled the Grievance in Steps 1 and 2, and one (1) Representative as provided in Article III, Section 1. This group shall meet within ten (10) working days of the written request by the Committeeperson. The Company's answer will be given within five (5) working days of the conclusion of the Step 3 meeting.

Step 4. Arbitration. If the matter is one subject to arbitration as provided in Article II, Management's Rights, or one involving the discharge and discipline of employees pursuant to Article XV, Discipline and Discharge, hereof, and all conditions satisfied, including applicable time limits, then the Union may, within fifteen (15) working days of the Company's answer in Step 3, request that the grievance be submitted to an arbitrator for determination pursuant to Sections 2 through 6 hereof. The fact that the Union does not request arbitration within the allotted time, or the fact that a grievance is withdrawn by the Union, will be without prejudice or precedent to either party.

Section 2. The written request for arbitration of a matter, which is arbitrable under the terms of this Agreement shall set forth the nature of the grievance. Upon receipt of such request, if it is one that is subject to arbitration, the Representative of the Union and the Representative of the Company shall attempt to agree upon an arbitrator to pass upon the matter. A mutually agreed upon permanent panel of six (6) arbitrators will be designated.

Section 3. The arbitrator so selected shall schedule a prompt hearing at which time he shall have the power to make determinations of fact on the questions submitted to him and apply them to the provisions of the Agreement alleged to have been violated, so long as the matter is one which is subject to arbitration under the terms of this Agreement and so long as it is submitted to him in accordance with the procedure herein specified. In interpreting and applying the provisions of this

Agreement which are subject to arbitration and in making findings of fact in connection therewith, the arbitrator's interpretation must be in accordance with the terms of this Agreement.

No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms of this Agreement or to impair any of the rights reserved to management under the terms hereof, either directly or indirectly, under the guise of interpretation; nor shall he have the power to substitute his discretion for that of management in any manner where management has not contracted away its right to exercise discretion. The arbitrator shall be bound by the facts and evidence submitted to him and may not go beyond the term of this Agreement in rendering his decision. No such decision may include or deal with any issue or matter, which is not expressly made subject to arbitration under terms of this Agreement. The decision of the arbitrator shall be in writing and shall be final and binding upon the parties when rendered upon a matter within the authority of the arbitrator and within the scope of matters subject to arbitration as provided in this Agreement. The decision of the arbitrator shall be rendered in writing within thirty (30) calendar days after the close of the hearing or the date for submission of written briefs.

Section 4. Unless it is mutually agreed otherwise, each grievance, which is subject to arbitration shall be handled by a separate arbitrator in a separate hearing, except grievances arising out of an identical set of facts or the same incidents may by agreement be heard together. It is further agreed that arbitration cases will be scheduled on a prioritized basis such that discharge

cases or other potential back pay cases will be scheduled ahead of other pending cases.

Section 5. The fees of the arbitrator and the necessary expenses (exclusive of payment to witnesses) shall be borne equally by the parties. Each party shall pay the fees of his own counsel or representative. If an employee-witness is called by the Employer, the Employer will reimburse him for the time lost. The Company will also reimburse either the grievant or one (1) Union witness for time lost to attend the arbitration hearing. If other employee-witnesses are called by the Union, the Union will reimburse them for the time lost. Any non-employee witness will be compensated by the party requesting his appearance.

In the event an arbitrator is selected and a hearing date is scheduled and agreed upon by both parties and either party subsequently cancels such hearing, the party so canceling shall pay any cost assessed by the arbitrator.

Section 6. Should it be determined that an employee, other than a probationary employee, was disciplined or discharged without just cause as provided in Article XV, Section 2, Discipline and Discharge, he shall be restored to his former status; provided, however, any unemployment compensation or other compensation or remuneration from any source shall be credited against any back pay award.

Section 7. In all cases, where agreed upon time limits appear herein, those time limits shall be strictly enforced. Such time limits may be extended only by mutual

agreement in writing. Absent such agreement should the Union or its members default on such limits, the grievance shall be deemed as closed and not subject to further review.

ARTICLE VII HOURS OF WORK

Section 1. Employees will be scheduled to work forty (40) hours per week consisting of five (5) consecutive eight (8) hour days.

The normal workweek will be Monday through Friday.

A. The normal shift hours during times at which the plant is operated at two shifts instead of three will be:

First Shift (days) 6:30 a.m. to 3:00 p.m.

Second Shift (afternoons) 4:00 p.m. to 12:30 a.m.

Each shift will have two (2) paid breaks of ten (10) minutes.

For all employees on continuous twenty-four (24) hour operations, the normal hours of daily shifts shall be:

First Shift (days) 6:30 a.m. to 2:30 p.m.

Second Shift (afternoons) 2:30 p.m. to 10:30 p.m.

Third Shift (midnight) 10:30 p.m. to 6:30 a.m.

Each shift will have two (2) paid breaks of ten (10) minutes and a paid lunch of thirty (30) minutes

- B. The normal workweek or shift starting times may be changed by mutual agreement of the parties. It is agreed that neither party will unreasonably withhold their mutual agreement.
- C. It is understood that this Agreement does not guarantee to any employee any number of hours of work per day or per week or days of work per week.

Section 2. Employees will be provided one (1) paid ten (10) minute rest period during each half-shift, or four (4) hour period worked. Employees who are scheduled more than nine (9) hours will be given a ten (10) minute rest period at the beginning of the overtime period. In addition, employees will be allowed a paid five (5) minute personal cleanup period just prior to the end of the work shift.

Section 3. Any employee reporting for work (including signing in at the plant gate) shall be given a minimum of six (6) hours continuous work or six (6) hours' pay. Employees shall be deemed to have been ordered to work unless notified not to report at or before the close of the previous shift worked, provided, however, in the event of a plant or department shutdown due to an occasion of national or local significance which calls for a temporary shutdown, or due to an emergency beyond the Company's control, the Company shall not be liable for wages to any employee for time lost. "Emergency" shall be defined as a situation resulting from causes such as, fire, explosion, power failure,

major equipment and computer failures, parts shortages that prevent operations, and acts of God.

Section 4. An employee called back to work after completing his regular work shift and after leaving the employer's premises shall be given not less than six (6) hours work or six (6) hours pay based on the overtime rate of pay that would have been in effect had the employee been continuously on the payroll since the completion of his regular shift. If an employee is called to report to work for a maximum of two hours prior to the start of his normal shift, he will not be eligible for call-back pay.

Section 5. The break periods defined under Section 1 are subject to adjustment based upon the needs of the operation. However in all cases, unless mutually agreed otherwise, break periods will be recognized during the first half and last half of the shift and employees will not be required to work during break periods.

ARTICLE VIII WAGE RATES AND OVERTIME

Section 1. On the effective date of this Agreement the wage rates and classifications shall be as set forth within this contract.

Section 2. All wage adjustments, including automatic progression wage adjustments, will be computed on the first day of the pay period following the calendar week in which the employee qualifies for the adjustment.

Employees will be credited for all service time on the active payroll with respect to the automatic progression schedule, including temporary layoffs or leaves of absence of thirty (30) calendar days or less. Employees will not be credited for advancement purposes for any time exceeding thirty (30) calendar days on layoff or leave of absence.

Employees who change jobs as a result of a promotion, demotion, or transfer within the Plant will move vertically on the progression schedule to the new applicable job rate.

At the Company's option, new employees with prior experience may be hired at any level of the progression schedule.

Section 3. In addition to applicable rate of pay, employees working the second and third shifts shall receive a premium of \$.45 and \$.55 per hour worked respectively.

Section 4. All time worked in excess of eight (8) hours in one (1) day, a day being defined as a twenty-four (24) hour period, from the employee's assigned shift starting time on Monday shall be the time used for the entire week, or forty (40) hours in one (1) week shall be considered overtime. Such overtime will be paid at one and one-half times the hourly rate of pay. All hours worked in excess of ten (10) hours per day will be paid at double times the hourly rate of pay. Additional overtime premiums will be paid in accordance with the following:

- A. All hours worked on Sundays shall be paid for at double the regular hourly rate of pay. This does not apply to 3rd shift employees who begin their work week on Sunday night.
- B. The first 10 hours worked on Saturdays shall be paid for at the rate of time and one-half. All hours over 10 worked on Saturday shall be paid for at double times the regular hourly rate.
- C. For employees with an assigned weekly schedule, which includes Saturday or Sunday, the sixth day worked shall be paid as (B) above and the seventh day worked shall be paid as (A) above.
- D. Employees required to work on a scheduled holiday shall be paid at the rate of double the regular hourly rate of pay for all hours worked plus holiday pay.

Section 5.

Overtime Provisions

Overtime work will be voluntary, with limited exceptions as indicated and will be offered among employees in the "overtime groups" set forth below:

Job Groups:

Final Cab Line

B-Line Start	Pool (PL) 60, 64 (less cabinets)
B-Line End	PL 60, 61, 64 (cabinet build-up)
Firewall Line	PL 73
Raised Roof	PL 63, 62

A-Line Start	PL 66	
A-Line End	PL 67, 69	
Dash Build-up, Valve Build-up		PL 71, 72
MCP		

Final Chassis Line

Engine Line Start	PL 13 Start
Engine Line End	PL 13 End
Mid-Chassis "B" Line	PL 2
Mid-Chassis "A" Line	PL 7
Final Chassis "B" Line	PL 3
Final Chassis "A" Line	PL 8
MCP	

Pre-Paint Chassis Line

Fuel Tank Assembly / FAB Shop	PL 18
Pre-Paint Chassis "B"	PL 1
Pre-Paint Chassis "A"	PL 6
Front Axle, Air Tanks, Valve BU	PL 14, 12
Rear Axle	PL 15
MCP	

Paint

Old Paint Center, Chassis	PL 55, 52
Touch-Up	PL 53
Basement Paint	PL 56, 57
Cab Paint	PL 51
Pre-treat and Prime	PL 50
MCP	

- * Touch-Up, Old Paint Center PL 53, 55
- * Third Shift Only

Pre-Paint Cab

Firewall Line, B/wall BU, Roof BU, Prep line, and some of PL37	PL 29, 38, 39, 49, 37
Mainline	PL 37
Komo / Stickframe, Deck cell, Laser Weld Door rings	PL 46, 27, 47, 48
Sidewalls / Mainframe	PL 36
FLD Line	PL 40, 42
MCP	
*	PL 36, 46, 47, 48, 27
*	PL 37, 38, 39, 49, 29
* Third Shift Only	

Offline

Sell Desk, CRC	PL 81, part of 85
Pit	PL 82, 84
Turn & Sell (South)	Part of 85
Turn & Sell (North)	Part of 85

Materials

Pool 1, Fuel Tank and Pool 6
Axles
Engine Pool 2, 7
Pool 3, 8
Cab B / Cab A
Pre-Paint Cab
Paint
Kits
Car Room
Dock, Center Stores, Dispo, Audits
Offline

Facilities

General Maintenance

Quality

Offline QC

Main Plant QC

Audit / Customer feedback

CAT Team

QA Lab

Manufacturing Resources

Kaizen Technicians

Systems Technicians

Selection of employees to work overtime will be as follows:

1. Casual daily overtime will first be offered to the employee who is performing the job on that day and shift.
2. A voluntary overtime sign-up sheet will be posted in Business Units on Monday for employee(s) who want to volunteer for daily overtime. This list will be used for other employees within the workgroup in the event that the employee who is performing the job on the day the overtime is offered declines the overtime. Any employee scheduled to work will be highlighted. To be eligible, an employee must sign the overtime sign-up sheet three (3) hours prior to the end of their shift. Overtime will be granted on a daily basis by seniority to appropriate employee(s) on the list who volunteer. Once the employee's

name is highlighted the employee is scheduled and will be required to work. If sufficient employees cannot be obtained using the above procedure, volunteers will be solicited from any work group, whenever practicable by seniority among employees able to do the work.

There will be a second column on the sign-up sheet for employees from outside the workgroups to indicate the desire to work within a specific workgroup so overtime requirements can be filled by the volunteer(s) before any mandatory overtime assignments are made within the overtime group.

- 3. If sufficient volunteers are not acquired by the above procedure, the overtime may be made mandatory of the necessary employees within the overtime group, by seniority, beginning with the least senior employee able to do the work.*
- 4. If the Company deems it necessary to work overtime in a complete overtime group, the overtime may be mandated without first soliciting volunteers.*

When overtime is scheduled, it will be limited to no more than one (1) hour on a daily basis and no more than eight (8) hours on Saturdays. It is further understood that no employee will be required to work in excess of 28 total hours of scheduled overtime including a maximum of two (2) non-consecutive Saturdays per month.

If Saturday hours are scheduled; by the Company, and then if not cancelled before the end of the employee's shift on Thursday, the hours scheduled will count towards the twenty-eight 28 hours of overtime per month.

In addition, if daily overtime is scheduled, then cancelled by the Company, the hours scheduled will count towards the twenty-eight 28 hours of overtime allotment per month.

The provisions of this Article that restrict the right of the Company to mandate any overtime work may be suspended by mutual agreement for a specified and limited time if operations are interrupted by emergency situations such as product safety or liability issues, part shortages, major equipment or computer failures, extended power shortages, fire, tornado, flood, hurricane, or other acts of God; government mandated work, regulatory training, and annual inventory. It is further understood that the Local Union will not unreasonably withhold their agreement.

5. If due to unforeseen circumstances overtime planned for an overtime group is no longer necessary those employees who have reported to work may be assigned to work outside their overtime group. Alternatively, employees will be given the option of clocking out upon notice of the assignment outside of their overtime group. Employees who do elect to clock out will do so without pay or penalty.

6. Employees may not refuse to work mandated overtime without a reason deemed justifiable to the Company.
7. Any employee skipped or otherwise missed in the overtime distribution procedure will be offered make-up work equal to the hours worked by the employee who worked the job. In the event that more employees were skipped than worked, only the number of employees skipped who equal the number of employees who worked will be offered make-up work. It is the Company's intent to correct mistakes on the same day if they are brought to the attention of the Supervisor prior to the end of the shift.

If the mistake is brought to the attention of the supervisor, on the day overtime is scheduled, prior to the end of shift, and the mistake is not corrected, the company will pay the employee(s) who were skipped or otherwise missed, the appropriate rate equal to the hours worked by the employee(s) who worked the overtime.

8. Employees will be notified by Wednesday (by end of shift) for mandated Saturday work unless an emergency situation arises. Employees will not be mandated to work such overtime if vacation or a personal day has been approved for them on the Friday preceding or Monday following the mandated work. Offline employees will be notified by mid-shift Thursday.
9. All Sunday overtime will be voluntary.

10. Employees will be notified at least one (1) day in advance (by mid-shift) for mandated scheduled daily overtime work. When daily overtime is being mandated for an extended period, employees will be advised of the approximate duration.
11. No weekend mandatory overtime will be scheduled in connection with any holiday weekend. This does not apply to skilled trades employees who may be required to work to support critical business needs.
12. Notice of canceling or scheduling will be posted in the affected Business Units.
13. A. Voluntary sign up sheet will be posted in all overtime groups on Monday for employee(s) who want to volunteer for Saturday and/or Sunday overtime. An employee desiring to be considered for Saturday and/or Sunday overtime must sign the overtime signup sheet two hours prior to the end of their shift on Wednesday. Overtime will be granted to the appropriate employee(s) who volunteer from the Saturday or Sunday rotational list and are able to perform the work, if a sufficient number of employees cannot be obtained, then volunteers from other work groups may be solicited where practical.

B. In the event overtime for Sunday is not determined until Saturday, the appropriate employee(s) that signed the volunteer list, who are not present on Saturday, will be called with a union representative present.

SECTION 6

EQUALIZATION OF OVERTIME HOURS FOR SKILLED TRADES

All overtime in Skilled Trades will be charged to classification on work identified as "core work". Specific examples:

- Robots - Electronic Techs
- Fixtures, Pump; Motor Alignment - Millwright
- Heating, Air - HVAC
- Welding - Maintenance Mechanic
- Waste water - Waste water
- Electrical - Electrician
- Machine work - Machinist
- Forklift - Forklift Mechanic

Skilled Trades employees will be charged the number of hours they are offered.

Initially, all Skilled Trades employees will be placed on an equalization of overtime list by their classification seniority. Thereafter, appropriate charges will be recorded on a weekly basis to determine the proper employee for available overtime.

- i.e.: (8) eight hours at time and one half = 12 hours
(8) eight hours at double time = 16 hours

With the exception of "core work", specific employees will be offered overtime according to their position on the equalized overtime list.

This list will be tallied weekly and posted in the Maintenance Shop on Monday of each week.

ARTICLE IX HOLIDAYS

Section 1. Recognized holidays are as follows:

Good Friday
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving

Unless otherwise specified any of the above holidays that fall on a Saturday will be recognized on the Friday before. Similarly, should the holiday fall on Sunday, it will be recognized on the following Monday.

Holidays for Christmas and Veteran's Days scheduled for the appropriate years.

(See Attached Holiday schedule)

Section 2. Each employee covered by this contract shall receive eight (8) times the regular day shift hourly rate on the above-designated holidays upon which no work is performed, irrespective of the day upon which it may fall.

The shift differential as provided for in this contract, Article VIII, Section 3, shall be included in the amount of holiday pay to be received by employees regularly scheduled on a second or third shift at the time the holiday occurs.

Section 3. To be eligible for holiday pay, the em-

ployee must work the complete last scheduled workday prior to and the complete next scheduled workday after the holiday, but an employee's failure to work on such prior or next-following scheduled workday shall be excused for this purpose if due to one of the following reasons:

- A. Personal injury arising out of and in the course of employment with the Employer.
- B. Jury service.
- C. Subpoenaed witness in court.
- D. Scheduled vacation.
- E. Employees who have been laid off in reduction of force during the week prior to or during the week in which the holiday falls.
- F. Employees who are members of a military reserve unit or military auxiliary units while off on military leave to attend annual training camp.
- G. Employees who go on a medical leave of absence (which includes the five (5) day unpaid waiting period) during the work week prior to or during the work week in which the holiday falls, provided the employee presents a written doctor's excuse which establishes to the satisfaction of the Company that such absence was for good and sufficient cause.
- H. Bereavement (Article XX , Section 13)

I. FMLA

J. Personal Leave-Union Leave

A person who is late to or must leave from work due to extraordinary case circumstances beyond his control, but in no case for more than two (2) hours, the Company may request substantiation of such circumstances.

An exception to the eligibility requirement involving an *employee reporting more than two (2) hours late or being excused more than two (2) hours before the end of the shift, will require the approval of the supervisor which will not be unreasonably denied.*

Section 4. If a holiday falls within an employees scheduled vacation, such employee will be granted an additional day off with pay, to be taken on the day immediately following the employee's scheduled vacation, *or the employee may elect to receive holiday pay for such day as though the employee were not on vacation. The employee may also elect to take the vacation day at a later date during his vacation anniversary year.*

HOLIDAYS – ATTACHMENT

During the remainder of the 2003 contract year, the Company agrees to recognize December 24, 25, 26, 29, 30, and 31.

During the 2004 contract year, the Company will rec-

ognize January 1,2, Veteran's Day on November 15, and December 24, 27, 28, 29, 30, and 31.

During the 2005 contract year, the Company will recognize January 3, Veteran's Day on November 14, and December 23, 26, 27, 28, 29, and 30.

During 2006 – 2007 contract years, the Company will recognize January 2, Veteran's Day on November 10, and December 22, 25, 26, 27, 28, 29, 2006 and January 1, 2007.

ARTICLE X VACATIONS

Vacations:

Section 1.

Employees will be granted vacations of:

2 Weeks After	1 Year
3 Weeks After	5 Years
4 Weeks After	15 Years
5 Weeks After	20 Years
6 Weeks After	25 Years

Section 2. Each week of vacation pay for each employee who has worked 1200 hours or more between vacation anniversary dates, shall be forty (40) times his day shift rate of pay in effect at the time vacation is taken, including shift differential if the employee is regularly assigned to a second or third shift.

Section 3. An employee who has worked less than 1200 hours between vacation anniversary dates will receive vacation based on time of service with the company and his vacation pay will be calculated by the following chart:

Hours	=	Percent of pay received
1200	=	100%
1140	=	95
1080	=	90
1020	=	85
960	=	80
900	=	75
840	=	70
780	=	65
720	=	60
660	=	55
600	=	50
540	=	45
480	=	40
420	=	35
360	=	30
300	=	25
240	=	20
180	=	15
120	=	10
60	=	5
0	=	0

This pro rata vacation pay will be in the amount equal to straight time earnings including applicable second and third shift differential pay if any during the year immediately preceding the vacation date upon which he becomes entitled to such vacation.

The remainder of the employee's service entitled vacation can be taken without pay in accordance with section 7 below.

Section 4. Vacation must be taken within the year of the anniversary date of employment. Vacation may be taken in increments of four (4) or eight (8) hours. Only full weeks of vacation during the vacation scheduling period will be assigned according to seniority. The employer will allow all employees an opportunity for one (1) week of vacation during the prime months of May, June, July, and August.

The balance of vacation allotment will be distributed equally over the (non-prime) months of January, February, March, April, September, October, November, December.

Once percentages for prime and non-prime vacation periods for the year have been calculated, according to earned allotment, then an additional 2% will be allowed off for single days. No single day vacation requests will be accepted on weekends or holidays. Employees will be allowed a two (2) hour window into their shift to submit their single day vacation request, which will be awarded on a seniority basis. Requests will be processed one (1) month (date to date) in advance and each day thereafter until the maximum is reached. Single day vacations will be approved by seniority and posted daily. However, once you have been approved and posted to the list you cannot be bumped by a senior person who submits a request on a subsequent day. After the maximum is reached and a cancellation occurs, the opening will be filled by the most senior person who submitted a request.

At the Company's discretion, half or single days may be approved, if available, if a worker shows up and applies for the vacation time. The Company will continue the current practice for small groups.

The vacation groups referred to in this section are as follows:

Job Groups:

Final Cab Line

B-Line Start	Pool (PL) 60, 64 (less cabinets)
B-Line End	PL 60, 61, 64 (cabinet build-up)
Firewall Line	PL 73
Raised Roof	PL 63, 62
A-Line Start	PL 66
A-Line End	PL 67, 69
Dash Build-up, Valve Build-up	PL 71, 72
MCP	

Final Chassis Line

Engine Line Start	PL 13 Start
Engine Line End	PL 13 End
Mid-Chassis "B" Line	PL 2
Mid-Chassis "A" Line	PL 7
Final Chassis "B" Line	PL 3
Final Chassis "A" Line	PL 8
MCP	

Pre-Paint Chassis Line

Fuel Tank Assembly / FAB Shop	PL 18
Pre-Paint Chassis "B"	PL 1
Pre-Paint Chassis "A"	PL 6
Front Axle, Air Tanks, Valve BU	PL 14, 12
Rear Axle	PL 15
MCP	

Paint

Old Paint Center, Chassis	PL 55, 52
Touch-Up	PL 53
Basement Paint	PL 56, 57
Cab Paint	PL 51
Pre-treat and Prime	PL 50

MCP

- * Touch-Up, Old Paint Center PL 53, 55
- * Third Shift Only

Pre-Paint Cab

Firewall Line, B/wall BU, Roof BU, Prep line, and some of PL37	PL 29, 38, 39, 49, 37
Mainline	PL 37
Komo / Stickframe, Deck cell, Laser Weld	
Door rings	PL 46, 27, 47, 48
Sidewalls / Mainframe	PL 36
FLD Line	PL 40, 42

MCP

- * PL 36, 46, 47, 48, 27
- * PL 37, 38, 39, 49, 29
- * Third Shift Only

Offline

Sell Desk, CRC	PL 81, part of 85
Pit	PL 82, 84
Turn & Sell (South)	Part of 85
Turn & Sell (North)	Part of 85

Materials

Pool 1, Fuel Tank and Pool 6
Axles
Engine Pool 2, 7

Pool 3, 8
Cab B / Cab A
Pre-Paint Cab
Paint
Kits
Car Room
Dock, Center Stores, Dispo, Audits
Offline

Facilities

General Maintenance

Quality

Offline QC
Main Plant QC
Audit / Customer feedback
CAT Team
QA Lab

Manufacturing Resources

Kaizen Technicians
Systems Technicians

Section 5.

During the months of May, June, July, and August, the Company may employ or recall from layoff temporary part-time employees to fill in for senior employees while on vacation during such high vacation periods. The hiring of summer employees will not be subject to Article XII – Job Posting of this Agreement.

Section 6.

- A. An employee who has been in the employ of the Employer for sixty (60) days and who is separated from the employ of the Employer prior to the completion of an anniversary year shall be entitled to pro rata vacation pay in accordance with the table used in Article X, Section 3:

- B. In the case of an employee who terminates voluntarily or otherwise, retires, dies, payment will be made for all accrued and/or unused vacation. In the event of an employee's death, such payment will be made to his estate.

Section 7.

Employees indefinitely laid off through a reduction-in-force will be paid for earned and accrued vacation pay including pro-ration to the last day worked. Upon request of an employee who is indefinitely laid off or terminated pending a just-cause determination by an arbitrator, the Company will defer payment of any vacation money to which he/she is entitled, but not in excess of twelve (12) months following layoff or termination. Vacation money paid subsequent to the date of layoff is payable at the employees' applicable vacation pay rate as of the date of his last day worked.

Upon recall from layoff, employees will be allowed to schedule up to two (2) weeks of vacation without pay as indicated below. Scheduling unpaid vacations will be in accordance with other relevant provisions of this article.

Normal Entitlement

2 - 3 Weeks

4 or more weeks

Without Pay

One (1) Week

Two (2) Weeks

Section 8.

The vacation scheduling procedure is set forth below:

1. The month of December of the preceding year will be the designated period set aside for advanced vacation scheduling.
2. During the advanced scheduling period, employees may schedule all full weeks of vacation which they are eligible to take during the current calendar year through December of the following calendar year. Full weeks of vacation must be taken from Monday to Friday. One (1) week of vacation may be reserved for either four (4) or eight (8) hour increments or for selection of an open vacation week later in the year. Any unscheduled vacation time will be subject to availability during the year.
3. Vacations will be granted on a rotational seniority preference basis within the designated vacation groups on each shift.
4. No employee, regardless of seniority, will be able to bump other employees from pre-scheduled vacation weeks.
5. Requests for vacations made outside of the advanced scheduling period will be made at least one (1) day prior to the date the vacation is to be

effective. Approval will be granted on a first-come, first-serve basis. All requests for vacation made outside the advance scheduling period must be submitted in duplicate on a standardized form available for this purpose.

6. Approval for granting one (1) day at a time vacation requests will be at the sole discretion of the Company for all requests above the 2% allowed for single days. All vacations, weekly and single days, will be posted in each respective vacation group on the vacation board.
7. A maximum of one (1) week of unused vacation entitlement from the previous year may be deferred to the next succeeding vacation year.
8. If a holiday falls within an employees scheduled vacation, such employee will be granted an additional day off with pay, to be taken on the day immediately following the employee's scheduled vacation, or the employee may elect to receive holiday pay for such day as though the employee were not on vacation. The employee may also elect to take the vacation day at a later date during his vacation anniversary year.
9. Vacation anniversary dates will not be readjusted for leaves of absence or periods of layoff.

ARTICLE XI LAYOFF/RECALL

Section 1. In the event of a layoff a minimum of 48 hours notice will be given to employees, unless longer notice is prescribed by law. All layoffs will be conducted within affected classifications as outlined below:

- A. Probationary employees will be the first to be reduced from the classification.
- B. If it is necessary to reduce additional manpower, less senior employees will have the right to bump into other classifications previously held. It is understood that less senior employees may be retained if more senior employees do not have the specialized skills to perform available work. "Specialized Required Skills" are defined as and limited to paint (top coat, touch-up and pre-paint cab body specialist); certified welder, axle line, 5" wheel, fuel tanks, FAB shop, CMM operator, robotics technicians, and skilled trades group.
- C. Employees who do not have sufficient seniority or qualifications to bump as outlined above; will have the right to displace junior employees in the truck assembler and tool crib attendant classifications.
- D. An employee having seniority in the plant, who enters the skilled trades group, will have a skilled trades seniority date as the day he or she enters the group. However, it is understood that any previous seniority toward pensions, vacations, etc., will be

maintained. In the event of a reduction in force in the skilled trades, the employee's plant wide seniority date will be used for layoff and recall.

Section 2.

- A. Recall to the truck assembler, and tool crib attendant classifications will be by plant seniority. Recall to other classifications will be in the reverse order of layoff from those classifications.

- B. Employees recalled from layoff in excess of six (6) months or who may have been ill or injured while on that layoff will be required to satisfactorily complete a return to work physical as required by the Company. Such return to work examinations shall be consistently applied to all returning employees. It is understood that additional criteria may be required where injuries or illnesses are known to have occurred.

If the employee fails such examination he shall be eligible for benefits consistent with terms and conditions as are set forth in the leave of absence and/or benefit language Provisions.

Disputes arising between the opinions of the employee's physician and the Company's physician concerning the medical suitability for available work recalled to will be settled by an independent physician mutually selected or a professional medical organization. All costs associated with the independent examination; shall be shared equally by the parties and such final decision by such independent

physician or organization will be final and binding on the Company, Union and the employee.

- C. Any employee refusing recall from layoff to the job classification from which he was originally laid off will be considered as a voluntary termination. Recall to any other classification will be voluntary. No subsequent opportunities for recall to a classification other than the classification from which the employee was originally laid off will be offered.

Section 3. During a layoff, employees who are notified that they will be displaced from their job classification may, instead of being displaced, request a voluntary layoff, which will be granted.

Requests for voluntary layoffs must be written and signed by employees and submitted to a representative of the Human Resources within three (3) working days following notice of displacement.

Employees who take a voluntary layoff will not be recalled until such time as an opening becomes available in the job classification ("Home Work Group") they occupied at the time of their voluntary layoff.

Section 4. A Shutdown occurs when the normal operations of the Plant are curtailed for a period not to exceed one (1) week. This period may be extended with mutual agreement. Such agreement will not be unreasonably withheld. During such time, employees required for essential operations will be selected in the following manner:

1. Senior qualified volunteers from the essential work groups on all shifts.
2. Least senior qualified employees from the essential work groups on all shifts will be required unless qualified former employees from the work group volunteer on a posted secondary list. The Company retains the right to determine qualifications.
3. When possible any disputes between the "parties" over who is selected to work will be addressed before the actual shutdown takes place and will be reviewed by both parties to reach a mutual agreement.

ARTICLE XII JOB POSTING

Section 1.

Whenever a new job is created or a permanent vacancy occurs within the bargaining unit, the position will be filled in accordance with the procedure outlined below:

A vacancy is an unoccupied position, which will require replacement or addition. A vacancy is defined as a recall from layoff or hiring.

During periods of layoff, the job posting procedure will be utilized for openings not filled by Article XII, Section 5, or recall.

Notice of vacancy will be posted on designated bulletin boards in all buildings; including the workgroup, rate of pay, number of vacancies, job/qualifications/descrip-

tion, shift, and the date and time of the posting. The name(s) of the selected employee(s) to fill the vacancy will also be posted after the job is filled. A Union Representative will review this selection process.

It is understood and agreed by the parties that the Job Posting Article will be utilized at all times that the plant is in operation building trucks.

- A. An employee with six (6) months of seniority who desires to fill a permanent job vacancy may file a bid on an agreed upon form to be supplied by the Company. There shall be two (2) transfers allowed in a 12 month period.

Job bid requests will be honored on a seniority basis provided the employee requesting a change has the necessary skills and ability to perform the job in a normal and average manner.

A secured box will be maintained in a designated area for filing of such forms. When a vacancy has been posted for two (2) working days (48 hours from the time and date of posting) the posting shall be removed from the bulletin boards by a Company and Union Representative, and no more job bid forms will be accepted. If an employee is interested in a job, which may be posted during his vacation, he may file a written application with the Personnel Department for vacancies that might occur during his absence. The Union and the Company will jointly remove the job bids from the box.

When an employee has been awarded a job change, he must accept the position.

Job Groups:

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A-Line Start	PL 66
A-Line End	PL 67, 69
Dash Build-up, Valve Build-up	PL 71, 72
MCP	

Final Chassis Line

Engine Line Start	PL 13 Start
Engine Line End	PL 13 End
Mid-Chassis "B" Line	PL 2
Mid-Chassis "A" Line	PL 7
Final Chassis "B" Line	PL 3
Final Chassis "A" Line	PL 8
MCP	

Pre-Paint Chassis Line

Fuel Tank Assembly / FAB Shop	PL 18
Pre-Paint Chassis "B"	PL 1
Pre-Paint Chassis "A"	PL 6
Front Axle, Air Tanks, Valve BU	PL 14, 12
Rear Axle	PL 15
MCP	

Paint

Old Paint Center, Chassis	PL 55, 52
Touch-Up	PL 53
Basement Paint	PL 56, 57
Cab Paint	PL 51

Pre-treat and Prime	PL 50
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* Touch-Up, Old Paint Center	PL 53, 55
* Third Shift Only	

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Mainline	PL 37
Komo / Stickframe, Deck cell, Laser Weld	
Door rings	PL 46, 27, 47, 48
Sidewalls / Mainframe	PL 36
FLD Line	PL 40, 42
MCP	
*	PL 36, 46, 47, 48, 27
*	PL 37, 38, 39, 49, 29
* Third Shift Only	

Offline

Sell Desk, CRC	PL 81, part of 85
Pt	PL 82, 84
Turn & Sell (South)	Part of 85
Turn & Sell (North)	Part of 85

Materials

Pool 1, Fuel Tank and Pool 6
 Axles
 Engine Pool 2, 7
 Pool 3, 8
 Cab B / Cab A
 Pre-Paint Cab
 Paint
 Kits
 Car Room

Dock, Center Stores, Dispo, Audits
Offline

Facilities

General Maintenance

Quality

Offline QC

Main Plant QC

Audit / Customer feedback

CAT Team

QA Lab

Manufacturing Resources

Kaizen Technicians

Systems Technicians

Section 2.

To ensure retention of a sufficient number of trained employees in a regular assigned work group, transfers through the job posting procedure will be limited to fifteen percent (15%) of the employees but not less than one (1) employee from a regular assigned work group consisting of twenty-five (25) or fewer employees in a thirty (30) calendar day period.

Section 3.

When the employer has honored an employee's job bid form, the employee will be eligible for one (1) subsequent job change during the twelve (12) month period in which the job was awarded.

Only three (3) subsequent vacancies will be filled through this job posting procedure. Thereafter, additional openings may be filled either hiring or recalls from layoff.

Section 4.

Administrative procedure for the Job Change Bid System:

1. The job bid request system will include the following:
 - A. The system will use a triplicate form.
 - B. Copies of the form will be given to the employee and the Union.
 - C. Forms will be submitted to the designated Job Bid Box in Human Resources.
 - D. An employee must submit a bid form during the designated time frame.
 - E. All job bids will be time stamped.
 - F. When the job bid is placed in the box, it becomes final.
 - G. The list will show all jobs for which requests are submitted and will rank all employees who are requesting each job in seniority order.
 - H. Employees will be notified of selection for a vacancy within two (2) working days, he may

be retained in his old job for a period not to exceed twenty (20) working days in order to secure a qualified replacement, or longer if mutually agreed to between the parties. If the successful bidder cannot be moved within the twenty (20) working days, they will be paid the appropriate rate of the new job.

- I. In cases where an employee is selected for two (2) or more vacancies at the same time, the individual may choose between which vacancy he wishes to fill.

Section 5.

Employees who are working in another classification as a result of an involuntary displacement, will be given consideration to return to a vacancy in their previous "regular assigned work group". Employees in the same classification working in another work group as the result of an involuntary displacement, will be given the opportunity to return to a vacancy in their previous "regular assigned work group". In the event there are employees in both categories listed above, the vacancy will be filled first by the most senior employee.

Section 6.

When the need arises to transfer employees in or out of a "regular assigned work group" (to fill any job in a work group), on a temporary basis, the transfer will be made in consideration of specific operational circumstances then existing. A transferred employee will be paid the rate of his regular job rate or the rate of the

temporary job; whichever is higher, for the time worked on the temporary job. Temporary jobs will be considered vacancies and the jobs will be posted, (unless the employee is on an approved leave) if filled by temporary assignment for more than 30 days in a 60 consecutive day time period.

- (a) A workday is defined as anytime spent in a "non-regular" workgroup.
- (b) The Union will be given access to "TRAC" to monitor employee movement.
- (c) Employees are limited to no more than two (2) on a daily basis, unless the employee volunteers to move.

Section 7.

Any employee remaining at work or recalled after a layoff with less seniority than laid off employees will be excluded from exercising job bidding rights until employees with greater seniority have been recalled.

ARTICLE XIII TRANSFER OF SHIFT

Section 1. Shift Adjustments

When it becomes necessary to balance the number of employees from one shift to another within a work group, the senior employees who are capable of performing the required work will have the opportunity to volunteer before the least senior employees within

the work group are reassigned to offset the imbalance. All employees will be given a minimum of two (2) week's notice. The Company will consider an employee's personal hardship, which prevents the employee's reassignment. In no event will reassignments be delayed beyond a reasonable period of time to resolve the employee's hardship. The Union will be notified of time extensions allowed to employees due to hardship.

Section 2. Shift Preference

An employee with one (1) year of seniority who is capable of performing the required work may displace a junior employee on a different shift within the same work group subject to the following:

- (a) Requests for shift preference must be made in writing using a triplicate form (supplied by the Company). Copies of the form will be provided to the employee, the Personnel Department, and the Union.
- (b) No more than two (2) shift preference transfer shall be granted to any employee in any calendar year.
- (c) Employees will be moved to the shift requested no later than the second Monday following receipt of their written request to the Personnel Department. Extraordinary business conditions (i.e. training) may require an employee to be held in his assignment for one additional week. This provision will not be abused by the Company.

- (d) Probationary employees may not be displaced.
- (e) Shift transfers exercised by maintenance employees will be limited to the appropriate work group in which the transferring employee works.
- (f) Any employee involuntarily displaced in another shift by the Company, after using a shift change preference shall have shift change rights reinstated.

ARTICLE XIV LEAVE OF ABSENCE

Section 1. General

Employees with seniority may be granted personal leaves of absence, without pay, for up to ninety (90) days upon written request to the Company, stating the reason for the leave. Employees requesting a personal leave of absence will not be required to use accrued benefits (sick time, vacation time, etc.) when applying for such leave. It is understood and agreed that personal leave is separate and apart from any requirements under the Federal Family Medical Leave Act as stipulated in Section 6 of this Article.

Such leaves are subject to Company approval, but will not be unreasonably denied if the Company's operations or requirements permit. Seniority shall continue to accumulate during the personal leaves. No personal leave of absence will be granted to employees who are incarcerated. Any employee who accepts other em-

ployment while on leave of absence will be considered to have quit his job. Any disputes will be addressed with the Company and appropriate Union representative.

Personal leaves of absence without pay must be a minimum of five (5) workdays.

Employees in the Attendance Control Program are ineligible for personal leaves of absence.

Section 2. Extension of Leave

Personal leaves may be extended for an additional period of thirty (30) calendar days upon approval of the Company. Such leaves will not be unreasonably withheld. Any disputes will be addressed with the Company and appropriate Union representative.

Section 3. Union Leave

The Union will notify the Company in writing in the event it is necessary for employees to have a leave of absence to attend to Union business. The Union will provide such notice as far in advance as possible. Such notice will stipulate the number of employees, not to exceed ten (10) in number and the duration of such leave. Such leaves and duration will be granted by the Company. Any alleged abuses will be referred to the Heavy Truck Division of the UAW.

The Company will consider more than the aforementioned number of employees when requested by the Union providing the request would not abnormally affect the operation of the plant.

For purposes of "compensation" under the pension plan, employees of the Company on approved union leave will be paid for such union leave time by the Company provided the Union shall promptly reimburse the Company monthly for all pay provided for time not worked.

Section 4. Medical Leave

Employees who are unable to work due to injury or illness will be granted a medical leave of absence, provided the employee completes the application for medical leave and presents medical proof of inability to work covering the period of disability. The maximum duration of medical leaves will be based upon Employees' service with the Company to the same extent and period of time as they would maintain and accumulate seniority while on layoff.

Section 5. Military Leave

Employees who enlist in the Armed Forces of the United States or who otherwise are required to perform military service will be granted a leave of absence and shall be entitled to reinstatement to the extent and upon the conditions provided by applicable federal and state law.

Section 6. Federal Family Medical Leave Act

The parties recognize, understand and agree that the Federal Family Medical Leave Act, 107 Stat. 6, 29 USC 2601, took effect on February 5, 1994.

In some instances, FMLA leaves will be concurrent with leaves of absence covered by the Collective Bargaining Agreement. In those cases where the employee is eligible for leave under the Freightliner LLC-UAW Collective Bargaining Agreement and the leave also qualifies under the FMLA, the Company intends to comply with the requirements of the FMLA as well as the separate provisions of the Collective Bargaining Agreement regarding covered leaves of absence.

Pursuant to the Company's present plan for compliance with the FMLA, the Company's rights under the act will be modified to:

- Provide that an employee on FMLA leave will continue to accumulate seniority in the same manner as the employee also would be eligible under the Collective Bargaining Agreement, respectively, as appropriate.
- Permit, but not require, employees to substitute vacation and/or paid sick leave in single day increments for unpaid FMLA leave.
- Provide that employees who are married to each other will be each entitled to a maximum of twelve (12) weeks of qualifying leave under the Act.
- Continue Company-paid: Group, Life, Accidental Death and Dismemberment, and Disability Insurance during all FMLA Leaves.
- Not automatically designate and apply absence time that is compensated under the short-term disability

and/or long-term disability provisions of the Life, Disability and Health Care Benefits Program against an eligible employee's FMLA entitlement.

Problems related to the implementation of this letter; may be discussed by the representatives of the UAW National Freightliner Department and the Company's Employee Relations Staff.

Section 7. International Union Leave

Upon application, the Company will grant a leave of absence to such of its employees who appointed to the staff of the International Union, provided the Company is furnished with written certification of such appointment. The employee will continue to accumulate seniority during such leave. The International Union will notify the Company, to the extent possible, thirty (30) days in advance of the expiration of such leave(s). Upon the expiration of such leave of absence, the employee on such leave of absence under this Section shall be returned to the employee's job in line with the employee's seniority and shall receive the rate of pay prevailing for that job.

Section 8. Parent Involvement in Schools Leave

In conjunction with the North Carolina School Leave Law four (4) hours of excused leave per student without pay will be granted per year to any employee who is a parent, or guardian of a school-aged child so that the employee may attend or otherwise be involved at that child's school. However, any leave under this section is subject to the following conditions:

- The leave shall be at mutually agreed upon time between the company and the employee.
- The employee must submit a written request for the leave at least 48 hours before the time desired for the leave.

The company may require that the employee furnish written verification from the child's school that the employee attended or was otherwise involved at that school during the time of the leave.

ARTICLE XV DISCIPLINE AND DISCHARGE

Section 1. In the case of discipline, suspension or discharge, the Company agrees that an employee who shall have completed his probationary period provided for in Article V, Seniority, shall not be disciplined or discharged without just cause. In all cases, a copy of written discipline notifications will be provided to the Union within twenty-four (24) hours of issuance to the employee. The Union will be notified of suspensions and discharges at the time of such disciplinary meetings with employees. In cases where the immediate removal of the employee from the plant is required, the Union will be notified in writing of the disciplinary action within twenty-four (24) hours.

Grievances relating to suspension or discharge must be filed by the Union within five (5) working days from the date of notification, exclusive of Saturdays, Sundays, and holidays, and entered into Step 3 of the Grievance Procedure.

Section 2. Any employee who has been suspended or discharged may request the presence of his appropriate Committeeperson to discuss the case with him in a private setting, provided by the Company, unless the nature of his offense requires his immediate removal from the Plant. Committeepersons in said meeting will not experience a loss of earnings.

Section 3. The right to discipline, suspend or discharge employees shall remain in the discretion of the Company except that the Company shall have the burden to show such discipline, suspension, or discharge was only imposed for just cause.

ARTICLE XVI HEALTH AND SAFETY

- A. The Company shall make a significant effort to improve the safety and health of its employees *during the hours of their employment and will commit the necessary resources to achieve this goal.* To further the objectives of this program, each supervisor shall conduct bi-weekly informational meetings with employees and as appropriate, health, safety and ergonomics issues will be discussed and employee input solicited. The company will designate and post a bi-weekly safety awareness schedule. This schedule will be audited and documented to confirm compliance. Bi-weekly meetings will be conducted in quiet areas of the plant. Employees will be encouraged to communicate health and safety concerns during the bi-weekly (every other week) during one of the regularly scheduled huddle meetings. Supervisors will attempt to re-

solve the problem. If the problem can not be resolved a Safety Awareness form may be completed by the employee. A copy of the form will be provided to the employee, supervisor, Union committee person and the Safety Committee. The employee will be informed when the problem is resolved. The Safety Awareness Form is to be designed by the Safety Committee.

B. The protective safety equipment, which will be provided by the Company, is set forth below. All personal protective equipment provided by the Company will continue to be of safe design and construction. Employees must wear the personal protective equipment, and make use of the protective devices and other safety equipment designed to protect them from injury and illness.

The Safety Committee will review and recommend a policy for the use of safety glasses in the facility. A dispenser with disposable ear plugs will be installed in all areas where ear protection is required.

The Company and Union will select mutually agreeable safety shoe vendors.

Eye Protection Program

The company will provide Plano (sic) and/or prescription safety glasses to all employees starting their employment with the Company. All employees are required to wear ANSI-Z87.1 approved safety glasses in the course of their employment. The employee will provide the Company with a copy of their prescription

and assume the cost of such prescription. When glasses are damaged in the course of an employee's work, they will be replaced, by the Company, at no cost to the employee. When a safety lens correction is required in the employee's prescription, the cost of such lenses and frames when necessary will be assumed by the Company; provided that the glasses are acquired from a common source designated by Freightliner; and further provided that the cost to the Company will not exceed the cost of the glasses charged by the designated provider. The cost of replacement lenses and frames will not be assumed by the Company unless two (2) years have elapsed from the date of the last issue of prescription glasses; except for those instances where a change is necessitated by disease or injury in the opinion of a doctor. The replacement cost of glasses lost or damaged by improper care by the employee will be at the expense of the employee. Upgrades will be at the employees expense beyond current caps.

New hire employees will sign an authorization for deduction of the cost of prescription safety glasses from their final pay check in the event of termination during their probation period.

Miscellaneous

Personal protective equipment furnished employees, except for prescription glasses, must be returned to the Company when terminating employment. The cost of such equipment not returned in usable condition will be deducted from the employee's last paycheck, except

for those items returned in unusable condition due to normal wear and tear.

Personal protective equipment that is damaged as a result of a workplace injury will be replaced at Company expense.

C. Employees must report to their supervisor any injury suffered so proper treatment can be administered by the First Aid Department or doctor. Reports should be made promptly after the employee becomes aware of the work relatedness of the injury or illness. The Company shall promptly make adequate provision for first aid, hospital care, and ambulance service on all shifts (first, second and third).

The Company will survey employees on the quality of care in the medical department. The survey will be jointly developed and the results shared with the members of the Safety Committee. Improvements may be implemented based on survey results.

The supervisor will be involved in the investigation of all reported serious injuries (i.e. OSHA recordable injuries) and, if determined that the serious injury was caused by an equipment malfunction, the investigation will be completed prior to another employee being assigned that machine, but no later than 24 scheduled hours.

The policy for investigations of accidents is:

- (1.) Upon notification of an accident the supervisor will ensure that if there are any injuries that medical attention is provided immediately. As soon as possible the supervisor will notify the Union representative.
 - (2.) The Supervisor will investigate the accident and document the results of his/her investigation. This documentation will be forwarded to the Safety Engineer and Union Representative.
 - (3.) Drug testing may be performed when there is a reasonable suspicion that the accident was caused by employee impairment.
- D. If a medical examination or test given an employee by the Company discloses any abnormal conditions, the employee shall be informed of said conditions and shall be given a summarized copy of any written opinion or recommendation made by the doctor.
- E. The Company will provide the Union Health and Safety Representative and the Local Safety Committee Chairman with a copy of the results of industrial hygiene surveys.
- F. The Company agrees to notify the Union Safety Representative in advance when possible, of health and safety inspections by OSHA, insurance loss control, boiler inspectors, city, county and state inspections related to health and safety, licensed health and safety inspectors and any health and safety consultants retained by the Company. The Union Safety Representative will be afforded an

opportunity to accompany such officials or consultants and provide any pertinent information to them. Upon request, provide a copy of such reports, including those of insurance inspectors, to the Union Safety Representative regarding violations of applicable local, state, or federal codes or standards.

- G. in an effort to monitor and control noise and air quality in the plant, the Company will purchase and maintain a multi-purpose sound level detection instrument and detector tubes for sampling air quality. The reading of air contaminants is restricted to those materials which can be obtained from using a direct reading sampling pump and NIOSH approved detector tubes. The equipment identified above will be available to the PDI. The Union Health and Safety Representative, Alternate and Health and Safety Engineer will be trained on the use of this equipment.

Safety Committee

There shall be a Safety Committee consisting of up to five (5) members either elected or appointed by the Union and up to five (5) members of Management from the TMP and one representative from the union and one from Management from the PDI. The Plant Manager and the Local Union President shall serve as Co-chairmen of the Safety Committee. The Safety Committee shall meet once each month to:

1. Consider and make recommendations for the correction of conditions determined to be unsafe, unhealthy or unsanitary based upon plant inspec-

tions and employee observations. Completion dates will be established and under most circumstances should take no longer than sixty (60) days. Copies of such recommendations will be furnished to the appropriate Company and Union representatives.

2. Assist in obtaining better employee cooperation with the enforcement of accident prevention rules.
3. Review OSHA Form 300 results of industrial hygiene surveys, Ergonomic issues, Material Safety Data Sheets, employee complaints, Outside Contractor Safety Program, Supervisor Accident Reports, local safety and health education programs (such as Lockout, Confined Space, Ergonomics, and Accident Investigation), and the written progress report made by the plant Safety Supervisor on the progress of recommendations made at previous Safety Committee meetings.
4. Review the status of Safety Awareness forms.
5. Minutes of the Committee meetings shall be taken by one of the Company members, and if acceptable, signed by the Safety Supervisor and Union Health and Safety Representative. Copies shall be distributed to the Safety Committee members.
6. Members of the Safety Committee will receive appropriate health and safety and ergonomics training in areas such as: Accident Investigation, Noise Control, Machine Guarding, Lockout, Confined Space Entry, Toxicology, Industrial Hygiene, Ergonomics, Fall Prevention, Ventilation and the Review of New Equipment.

In addition, the Union Health and Safety Representative, alternate and the Safety Engineer will attend two (2) mutually agreeable training sessions each

year. The Company will cover expenses associated with both training sessions.

7. It is understood that the Co-chairmen of the Safety Committee will be afforded an opportunity to participate in investigating occupational injuries and illnesses in the plant. Any applicable information and photographs will be made available for the Union to review. The Union Health and Safety Representative shall also have the right to conduct incident investigations and take photographs. The company will receive copies of reports or photos connected with these investigations. The Company will promptly notify the Union Health and Safety Representative, Committeeperson and the Director of Health and Safety of all significant injuries, illnesses and medical emergencies.
8. The Local Union President will be provided advanced notification of industrial hygiene, noise and work station ergonomics evaluations, (excluding placement of employees with work restrictions) and be allowed to participate.

Ergonomics Program

It is the Company's and the Union's objective to establish and maintain an effective ergonomics program in order to control occupational related cumulative trauma disorders. The responsibility for program administration will be assigned to the Safety Committee. The program will be implemented by a steering committee with equal number of union and management representatives (5 selected by the union and 5 selected by management in TMP).

The Company and the Union agree to use their best efforts jointly to maintain a program which includes the following elements: injury and illness analysis, job analysis, employees' input and tracking of complaints, modification of equipment and methods, and medical management.

1. The parties have agreed to jointly discuss and determine the program's implementation plan.
2. Injury and illness analysis of OSHA recordable and Workers' Compensation data will be conducted to identify jobs, pools and departments with the highest number and rate of cumulative trauma disorders. In addition, analysis will be conducted by type of injury and body part. The Safety Committee will utilize the reports to focus efforts in areas where risk is highest and to monitor the overall effectiveness of the ergonomics program.
3. The job analysis method described in Appendix B of the Washington State OSHA Ergonomics Standard will be used unless the parties mutually agree to an equivalent alternative process. The UAW Health and Safety Department will be involved in developing the training program for appropriate Union and Company personnel. Evaluations will be performed whenever:
 - An employee reports complaint of injury or risk of ergonomic injury; or
 - An employee is diagnosed with an ergonomic injury; or

- A symptom survey indicates a possible ergonomic risk factor; or
- The Company becomes knowledgeable of an ergonomic risk in a specific work activity.

Symptom surveys will be administered in work areas identified by the steering committee.

The company will make a good faith effort to conduct an ergonomic job analysis on all production and material handling jobs in the plant during the term of this agreement. The UAW Health and Safety Representative will be involved in the ergonomic job analysis conducted under the above conditions.

The components of a worksite evaluation will include but are not limited to; 1) asking the employee which work activity may be causing the injury or symptom, 2) identifying the specific work activities that are likely contributors to the ergonomic risk, symptom, or diagnosis, 3) observation of job, 4) identification and evaluation of risk factors and potential countermeasures to reduce ergonomic risk 5) asking the employee for ideas about minimizing ergonomic risk factors and 6) a description of the feasible control measures to be implemented. Such analysis includes input from other workers, whose jobs will be affected by the modification.

Ergonomics job analysis will be conducted and documented within 30 calendar days of a reported cumulative trauma disorder. A computerized database will be developed to store job analysis information.

4. Upon receipt of a job analysis the supervisor will attempt to implement job corrections. If the problem is not resolved the manager will attempt to correct the problem. If the problem is not resolved it will be referred to the Safety Committee. A master list of all ergonomic problem jobs for the facility will be maintained. The Company agrees that a good faith effort will be made to implement ergonomic solutions within a three (3) month time frame after a job analysis determines that corrective action is required. *The parties acknowledge that there may be times when it may take longer than three (3) months to make the proper correction. The reasons will be documented.*
5. Ergonomics design guidelines will be established by the Safety Committee in conjunction with plant engineering personnel. The guideline will include a reasonable weight limit for repetitive lifting on production jobs. Appropriate Union and Company personnel, including engineers, will be trained on the use of such guidelines. The development of these guidelines will be a priority for the Safety Committee.
6. The Ergonomics Steering Committee will be involved with the development of an Awareness Training Program and will review injury and illness analysis reports and associated corrective measures.
7. With prior Company approval, the Ergonomics Steering Committee may seek advice from ergonomics consultants in order to resolve particularly problem-

atic issues. Such approval will not be unreasonably denied.

8. Each member of the Ergonomics Steering Committee will receive basic ergonomics training within twelve (12) months of the agreement and advanced training within twenty-four (24) months of the agreement. This training will insure that ergonomic job analysis are conducted and record keeping systems are improved to maximize the effectiveness of the program.
9. An Ergonomics Awareness Training program will be developed and made available to all plant employees. The Safety Committee will analyze injury and illness data and recommend areas where additional training may be needed.
10. Medical staff personnel will be provided with appropriate education and training. Referrals will be made only to outside medical personnel competent to diagnose and treat cumulative trauma disorders where appropriate.
11. The Company will empower and encourage Supervisors, Managers and Staff Managers to recommend engineering changes in their respective areas.
12. The Company will establish and implement a process to ensure that ergonomics issues are considered in all new and modified equipment and machinery.

Noise Abatement

The Company recognizes that noise induced hearing loss is a permanent and irreversible condition that significantly affects the quality of an employee's life. Management is committed to reducing noise levels in the plant. A comprehensive sound survey will be conducted at the plant and PDI to measure the sound exposures throughout the plant. The survey will identify the primary sources of noise and list feasible engineering controls to reduce exposure. The Company will develop and implement a noise abatement program. The program will include an annual listing of noise reduction projects and the specific machinery and equipment affected. The goal of the noise abatement program is to significantly reduce the number of employees required to wear hearing protection as a result of eliminating exposures to hazardous levels of noise. The Safety Committee will have an opportunity to review the noise abatement program each year. The Company will establish an 80dBA specification for new machinery, equipment and powered hand tools. Deviations from the noise specification, when compliance is not feasible, (i.e. spray booths and dynamometer) will be reviewed by the Safety Committee. Powered hand tools will be evaluated for compliance with the noise specification and ergonomics design guidelines prior to purchase.

Lockout

Posted placards containing machine specific lockout procedures, listing equipment needed and verification methods, will be posted on all machinery and equipment based upon a list prioritized by the Safety Committee. Appropriate employees, including production employ-

ees, will be trained in lockout and authorized employees will be provided necessary lockout devices.

Review of New Equipment and Rearrangements

New equipment (including used equipment from other facilities) and rearrangements, will be approved by the Facilities Manager and/or Safety Engineer and reviewed with the Union Health and Safety Representative, when available prior to being placed into operation. Approval reports will be made available to the Safety Committee. The Safety Committee will develop a checklist of items to be reviewed during the approval process. The Safety Committee will review safety and health design guidelines and specifications from other companies and upgrade the existing new equipment review checklist.

Toxic Use Reduction

Effective control of hazardous materials will serve to protect the employees of Freightliner as well as the environment in the surrounding community. The Company is committed to the continuous reduction in the use of hazardous materials. This will be accomplished through process changes and on-going efforts to identify safer substitutes for materials currently in use. This program will be reviewed with the Safety Committee and is expected to reduce employee exposures and protect the environment.

Outside Contractor Safety Program

The Company will institute an Outside Contractor Safety Program and provide a copy to the Safety Committee for their review. The Company will notify the Local Union President, in advance, of contractors working in the

plant. A log of outside contractors in the plant will be maintained and a copy will be available to the Local Union President. Management will conduct periodic inspections to ensure compliance. Contractors found to violate health and safety regulations and standards will be advised and will be expected to implement corrective action.

Fall Prevention Program

The Company will establish a Fall Prevention Program. Maintenance employees will be trained in the proper use of personal fall protection equipment. Personal fall protection equipment will be made available, properly stored and maintained. Refresher training will be provided on an annual basis. The Company will make readily available personal fall protection equipment to each employee who (is) required to use such equipment.

Plant Emergency Response Drill

The parties agreed to an Emergency Evacuation Plan on First, Second, and Third Shifts. It was further agreed that an Emergency Evacuation Drill will be conducted on each shift. The drills will be conducted during the first and third year of this agreement. These planned and pre-announced drills will be to familiarize employees with the emergency warning system, evacuation routes, and assembly areas. Future drills will be conducted as deemed necessary by the Safety Committee. The Plant Emergency Evacuation Routes will be periodically updated to reflect changes in the plant. In addition, emergency coordinators will receive annual refresher training and the emergency alarm will be activated at least once a year, at pre-announced times, for familiar-

ization purposes. Supervisors will review the evacuation routes and warning system with employees at least twice a year during supervisor safety meetings.

Audits

An annual comprehensive health and safety audit of the facility will be conducted by the Corporation, International Union, Local Union and plant Management. The audit protocol and items included will be developed jointly.

Working Under Suspended Loads

The Company will make every reasonable effort to eliminate the practice of employees working under suspended loads in cab swing, engine swing and axle swing areas including Mohawk and Download. Each task that currently requires employees to place part of their body under a suspended load will be identified and corrective measures will be implemented to address each including product design changes, moving certain operations to others stations and modification of tooling and methods.

Preventive Maintenance for Plant Ventilation Systems and Power Tools

The Company recognizes the importance of ventilation systems to maintain a comfortable environment and control air contaminants and reduce the risk of fires and explosions. Preventive maintenance programs will be implemented to insure that plant ventilation systems operate properly. All exhaust ventilation and make up air units will be rated the highest priority. The manager of maintenance will review the program with the Safety Committee on a periodic basis.

A preventative maintenance program for critical powered hand tools, such as torque and pulse tools, shall be established within 180 days of the effective date of this agreement. Defective powered hand tools will be immediately removed from service and tagged out.

Liability

The International Union, Local Union, the Joint Safety Committee and Union officials, employees and agents shall not be liable for any work-connected injuries, disabilities, diseases, deaths, or loss resulting therefrom which may be incurred by employees of the Company or by third parties while on Company property. This is not intended to, and does not increase the Company's liability in such cases beyond its normal exposure, if any (i.e., worker's compensation).

LETTER OF UNDERSTANDING HEALTH & SAFETY ISSUES

During the 2003 negotiations, the parties spent significant time discussing opportunities to improve the health and safety program at the Cleveland facility. Accordingly, management agrees to correct the following items:

1. Ventilation systems will be properly maintained and the filters changed on a timely basis. The company will improve local exhaust ventilation for the welding areas, particularly in maintenance department, fifth wheel, and axle weld.
2. Restrooms will be cleaned, painted, repaired and properly maintained. Restroom ventilation

systems will be upgraded to comply with the ANSI/ASHRAE 62-2001 standard.

3. Air lines that create tripping hazards will be festooned or modified to eliminate the hazard in all areas where feasible.
4. Additional roof exhaust will be installed in Pools 3 and 8 within 90 days after ratification. The company will minimize the practice of starting trucks to build up air in pools 3 and 8. In house air will be used to perform necessary tests.
5. Enforce the procedure to prohibit leaving equipment such as cabs and engines suspended on cranes unattended. The company will prohibit the practice of handling materials over employees such as lifting baskets while stocking operations. The company will follow crane safety procedures.
6. Trucks requiring towing will be tagged and pulled from the line with a rigid tow device only.
7. A written procedure will be established and will be enforced which directs Production Supervisors to investigate all emergency stop incidents to ensure restart of the line will not put any employee at risk of injury.
8. Safety devices will not be bypassed or defeated under any circumstances. The Mohawk equipment will be monitored regularly for properly working safety devices.
9. All Employees will be properly trained prior to being released on the job. Special emphasis will be made in areas of lockout, chemical hazards, the use of safety devices, fork truck safety, material handling etc.

10. The practice of blocking aisles, fire exits or fire extinguishers, emergency eyewashes and showers will be discontinued. Eyewashes and showers will be kept clean.
11. Slippery floors and poor housekeeping in the plant will be corrected. The Company will identify the cause of all fluid leaks and spills in the plant, and implement corrective action. The Company will establish a check tag system procedure to indicate missing parts prior to the next station.
12. Fatigue matting will be installed where approved by the Safety Committee.
13. Sound levels of horns and buzzers will be reduced to the minimum level necessary within 90 days.
14. Rolling ladders or equivalent piece of equipment will be installed where needed and properly maintained.
15. The Company will make provisions to safely transport filters and other equipment to the roof.
16. The Company will eliminate the practice of manually installing seats on lines A and B. The company will pursue and to the extent available, a lifting device will be installed to accommodate seats within 120 days.
17. The company will provide tire / wheel manipulators on lines A and B within 6 months after ratification.
18. The company will eliminate manual lifting of the brake assembly on the front and rear axle line.
19. Pedestrian walkways will be identified and maintained throughout the facility. Aisles will be established next to the Store A, B and C areas.

A safe walkway will be maintained to protect pedestrians from ice hazards created by the water halo operations.

20. The Company will stop any shipping, receiving or shuttle service operation through the main gate during main shift changes (one half hour before and after. The shuttle service operation will be suspended through the East gate during offline shift changes.
21. Ergonomic improvements will be made to the fuel tank fabrication area to reduce manual lifting [i.e. conveyors].
22. The Company will replace floor matting, improve access to controls and resolve problems with flash from welding in fuel tank fabrication.
23. The company will improve air quality in the offline area. Ventilation will be added to minimize the problem of truck exhaust. Sanding will be addressed by the installation of a wall to isolate turn and sell from offline paint. Additionally, spray painting outside of paint booths will be exclusively limited to low volume minor touch ups with aerosol cans in well ventilated areas.
24. Structural changes in equipment, facilities or tools will be reviewed by a qualified engineer to assure the safety of the modification and compliance with current consensus standards. Installation of fixtures or equipment will be installed by qualified maintenance personnel and/or manufacturers.
25. The company will correct improper storage and stacking. Loads will be secured and/or properly stacked.

26. Personal fall protection equipment will be periodically inspected.
27. To resolve concerns raised about the battery charging station, a preventative maintenance program will be established, procedural operating instructions will be posted, and area house-keeping requirements will be enforced.
28. The company will implement safety procedure to ensure that employees are not put at risk when trucks are either started or driven.

ARTICLE XVII NO STRIKES OR LOCKOUTS

Section 1. No Strikes

During the life of this Agreement, the Union shall not cause or support, nor shall any employee or employees take part in any action against the Company such as a strike, intentional slow down of production, or any other interference with or stoppage of the Company's work.

The Union agrees that if an unauthorized strike, slow down or other interference with or stoppage of work occurs, the local and International Union officials will immediately meet with the Company and take appropriate action to end the strike, slow down or other interference with or stoppage of work. The Union further agrees that in the event of a strike in violation of this Agreement, the Company may take disciplinary action up to and including discharge against those workers who take part in the strike. The Company, for its part, agrees that there shall be no lockouts during the life of this Agreement. As long as the Union, its officers,

agents and employees comply with the above provisions, the Company agrees not to bring any court action for damages or take other action which is not provided for in this contract, against the Union, its officers, agents and employees for breach of this Section.

ARTICLE XVIII NO DISCRIMINATION

Section 1. It is the policy of Freightliner LLC and the UAW that the provisions of this Agreement be applied to all employees covered by this Agreement without discrimination because of race, color, religion, age, national origin, status as a qualified person with a disability, sex, including sexual harassment, sexual orientation, marital status, union affiliation and membership in any legal protected class and political affiliations.

In order to assure full knowledge and understanding of the forgoing principle on the part of the employees and all agents and representatives of Freightliner LLC and the UAW, the parties hereby incorporate the same in this agreement. Any employee who claims that, in violation of said principle, he has been denied rights guaranteed by this Agreement may complain as provided in the grievance procedure. Any such claim, when presented in writing, pursuant to step (1) of the grievance procedure, must contain a full statement of the facts giving rise to the claim and the reasons why the employee believes he has been discriminated against.

If appealed to step (2), the Committee person of the Local Union, before deciding whether to take the

grievance up with the Business Unit Manager, may refer the claim to the Chairman of the Civil Rights Committee. The Chairman, or in special circumstances, the Co-chairman of the Civil Rights Committee, will review the alleged claim of discrimination and, if mutually agreeable, will conduct a joint investigation. The investigator will receive pay for time spent on the investigation, with the understanding that any overtime must be approved, by the Human Resource Manager.

The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such claims.

ARTICLE XIX OUTSOURCING

Section 1.

A Cleveland TMP Sourcing Committee will be a joint committee comprised of three (3) Company representatives and three (3) Union representatives. The purpose of the committee will be to evaluate the feasibility of insourcing and outsourcing parts, assemblies, and any other manufacturing process used to manufacture products made or assembled at the Cleveland plant.

- (a) Sourcing representatives shall function on an "as needed" basis and will meet with the Company's representatives to discuss issues such as cost, time, and feasibility of specific insourcing and outsourcing proposals on the first Wednesday of every month.

Section 2.

Sourcing Committee procedures:

- (a) Location Management will advise the Committee on any local studies concerning changes that would be subject to insourcing or outsourcing in any area of the facility used for the manufacture of any of the company's products. Reviews that are coordinated by the Corporation and/or are included in Corporate-wide initiatives may be excluded from this process.
- (b) On completion of the study, all relevant data used by the Company will be provided to the UAW Sourcing Representative which could be used in making a decision. Relevant data will include as applicable, material, labor, capital requirements, tooling cost and warranty considerations. Reasonable requests for additional information will be provided in a timely manner by the Company.
- (c) The Sourcing Committee will provide a response to the sourcing question within two (2) weeks of the sourcing study.
- (d) In the event the UAW Sourcing Representative has a matter he/she wishes to have considered in the Sourcing Process; the matter will be presented to the Management Sourcing Representative and considered for study. In the event management does not agree the matter warrants an expenditure of resources for a complete study the UAW Sourcing Representative will be advised in writing within two (2) weeks of the time it's turned in. In the event management determines the study to be viable, the

Union will be provided an estimated time for completion. UAW local Chairperson may wish to pursue any sourcing projects with the UAW Freightliner Department.

- (e) The facility Human Resources Manager will be responsible for assuring the Sourcing Process as described above is followed and not violated.

ARTICLE XX MISCELLANEOUS

Section 1. Work by Management Personnel

Non-bargaining unit personnel shall not perform bargaining unit work covered by this Agreement except in the following instances:

- A. To instruct or train employees.
- B. To assist employees in emergency situations which are rare, unusual, and extraordinary in nature.
- C. On experimental work, including pre-series, provided the Union has been given prior notification as to the specific nature of the work and its anticipated duration.

Section 2. Medical Personnel

In order to ensure prompt qualified medical attention, a nurse, First Responders or North Carolina state certified Emergency Medical Technician (EMT) will be readily available in the plant during Production hours to render first aid as required. This will also apply during periods of overtime when at least seventy-five (75) employees

are scheduled to work. In addition, a list of trained personnel for emergency response purposes will be posted in the Nurse's Station. The listed trained personnel will also be certified in basic first aid and CPR.

An in-plant ambulance will be provided which is capable of transporting injured employees on a stretcher. This ambulance will be designated for the sole use of in-plant transportation of employees who are sick or injured. The Company will provide necessary medical supplies, oxygen, diagnostic equipment and a portable defibrillator. Eight (8) trained persons per shift of production and one (1) per shift without production, trained to the level of first responder, will be available on all shifts during the week [2 on each shift in PDI]. The Safety Committee will select emergency responders from the available volunteers. Each emergency responder will be provided a communication device and have access to the Medical Department.

Employees, who wish to discuss their issue in private, will be provided an area to do so.

Section 3. Emergency Notification Procedures

To ensure that all bargaining unit personnel will receive immediate notification of outside emergencies, the Company agrees that such notification will be provided to the employee immediately and, in no event, any later than fifteen (15) minutes after receipt of such information. The Company further agrees that employees will be released immediately (if so requested) to attend to such emergency. The Company will log all emergency calls. The Union will have an opportunity to review the log and make copies upon request.

Section 4. Break Areas and Cafeteria

The Corporation will continue to maintain the current cafeteria, amenities area and break areas in a clean and sanitary condition. Additionally, the break areas identified as A-Central Store and Pool 15 - Axle will be enclosed and air conditioned.

The 400 Building south elevator will have a canopy added.

Section 5. Legislation

If any of the Collective Bargaining Agreement is held invalid due to existing or future federal or state legislation, the remainder of this Agreement shall not be affected thereby.

Section 6. Garnishments

(a) The policies concerning garnishments will be handled by the Company subject to the following:

No disciplinary action will be taken against any employee unless:

- (i) A second and separate garnishment notice or demand against the wages of an employee has been received by the Company.
- (ii) A second and separate wage assignment against the wages of an employee has been received by the Company.

- (b) Notwithstanding the provisions of subsection (a) above, no disciplinary action will be taken against an employee because of the employee's inability to provide the Company the necessary release(s) and agreement(s) required in connection with a federal government lien against the employee's wages.
- (c) The Company and the Union agree that notwithstanding any provision of this Agreement, they will comply with all applicable federal and state laws concerning disciplinary action relating to garnishment on wage assignment matters.
- (d) The Company may recover some administrative cost for processing wage attachments to a maximum of \$2.00 per transaction for child support and a one-time fee of \$10.00 for property tax levies.

Section 7. Extreme Bad Weather Conditions

Employees are expected to report to work on their regularly scheduled shift when the plant is operating. However, during extremely bad weather conditions, employees with mitigating circumstances who are not able to work due to weather will not be penalized.

Section 8. Work Related Physical Exams

Appropriate mutually agreeable medical exams and evaluations including but not limited to kidney function, liver function and lung function will be made available to welders and employees engaged in paint spraying, maintenance, paint mix, and other potential high risk jobs as determined by the safety committee on an

annual basis. These tests shall be provided by the Company at no expense or loss of earnings, including loss of overtime to such employees.

Section 9. Conflict between Company Rules and Contract

The Company shall not establish any work and/or safety rules which conflict with the express provisions of this contract. The Company is entitled to establish reasonable rules, which the Union has the right to challenge through the grievance procedure as to the reasonableness of those rules.

Section 10. Bulletin Boards

The Company shall provide bulletin boards in each amenities area for the exclusive use of the Union. The use of these bulletin boards shall be confined to the following notices:

- (1) Recreational and social affairs of the Union;
- (2) Union meetings;
- (3) Union appointments;
- (4) Union elections, including those required in the Union Constitution, and the result of such elections.
- (5) International Union news

Section 11. Injury to Employees

When an employee sustains an injury in the plant, if necessary; the Company shall furnish transportation from the plant to the source of medical treatment and, if necessary, transportation home. Any employee who sustains an injury in the plant and returns from medical treatment to the plant with medical restrictions, the company will make every effort to place the employee on a job within their restrictions. Any such employee who is not able to return to work shall be paid his applicable rate for the balance of his shift on the day he is unable to work as a result of the injury. An employee who is able to work after sustaining an injury in the plant, but needs additional medical treatment shall be paid for all regular shift time necessarily lost for obtaining such treatment. The additional medical treatment will be sought during non-working hours whenever possible.

Section 12. Unjust Incarceration

Employees who have been terminated because of incarceration and who are later found by trial of a judge or jury to be "not guilty" will be returned to work without loss of seniority.

Section 13. Paid Bereavement Leave

1. Employees shall be excused with pay for five (5) scheduled workdays for bereavement leave in the event of the death of an immediate family member. Immediate family shall be defined as:

Spouse	Child
Stepchild	Parents
Brother	Sister

2. Employees shall be excused with pay for three (3) scheduled workdays in the event of the death of one (1) of the following family members:

Parents-in-Law	Brother/Sister-in-Law
Grandparents	Step Brother/Sister
Grandchildren	Step Parents
Son/Daughter-in-Law	Step Parents of Spouse

3. Employees shall be excused with pay for one (1) scheduled workday in the event of the death of one (1) of the following family members: Aunt, Uncle, Great Grandparents and Grandparents-in-Law
4. Employees shall have the option of using up to two (2) paid sick leave days or (2) paid vacation days in connection with paid bereavement leave.
5. In-Law relationships refer only to current spouse.
6. Employees shall have the option to use up to two (2) paid sick leave days or two (2) paid vacation days to attend the funeral of persons other than those listed above with whom they have had close relationships. Employees must have prior approval to be paid and to have the absence excused. Vacation days granted in conjunction with bereavement are not to be calculated in the percentages outlined in Article X. Section 4.

7. The appropriate shift premium will be paid for all bereavement leaves.

Section 14. Jury Duty Pay

When an employee is required to be absent from his regularly scheduled work to report for jury examination or jury duty service, he shall be granted time off with pay for all straight-time hours he was otherwise scheduled to work. In order to receive such payments, an employee must give the Company prior notice that he has been summoned for jury duty, must furnish satisfactory evidence that he reported for or performed the service.

Employees working second or third shift will be assigned administratively to first shift during the period they are scheduled for jury service. Employees, who have received a valid court order or subpoena to appear in court during working hours as a witness and not as a principal in the court action itself, will receive pay for such time missed.

Section 15. Short-Term Military Duty Pay

A seniority employee who is called to and performs short-term annual training in the United States Armed Forces Reserve or National Guard shall be paid the difference between his daily military earnings (including all allowances except rations, subsistence and travel) and his regular base hourly rate for straight-time hours he otherwise would have worked up to 15 maximum work days per calendar year. In order to receive such payment, an employee must give prior

notice and furnish a statement of military pay upon his return to work.

Section 16. Employee Sales Days

Management will post a document specifying the procedure for employees to purchase select Company property. Employees will be able to initiate a purchase request on any day that the Plant is operating. Where practical, parts and products will be available for employees to purchase at cost. However, it is understood that the Company shall retain full discretion of the administration of the sales procedures as well as the types, quantities, and prices of items available for sale.

Section 17. Tools

In addition to providing basic hand tools for all newly hired employees, the company will provide materials and tools required for employees to adequately and safely perform their duties.

Section 18. Alcohol and Drug Abuse

The Drug and Alcohol Policy attached as Attachment B was discussed during negotiations and was agreed to by the parties as the program applicable to all plant employees.

Section 19. Tuition Refund

A new tuition refund program will be implemented concurrent with a Corporate wide program effective January 2005.

Section 20. Successors

This Agreement shall be binding upon the employer's successors, assigns, purchasers, or transferees whether such succession, assignment or transfer be affected voluntarily or by operation of law; and in the event of the employer's merger or consolidation with another Company or companies, this Agreement shall be binding upon the merged or consolidated Company.

Section 21. Pay Practices

1. Employees will be paid each week on Tuesday. The first paycheck will be received on the second Tuesday following a new employee's first week of employment. Checks will be given out on Monday, the day preceding payday.
2. Discrepancies in pay should be reported as soon as practicable.
Payroll errors exceeding \$50 can be resolved on the same day. However, discrepancies caused by late submission of documentation. Within the employee's control (i.e. medical leave, jury duty, military orders) may delay resolution until the next scheduled pay period.
3. A direct deposit of payroll feature will be available to all Cleveland TMP and PDI employees.
4. Statements showing all deductions will be shown.

Section 22. Voting Area in Plant

A designated voting area in the plant for local Union elections will be established. The area will provide a reasonable degree of privacy for the purpose of allowing local Union members to cast ballots in elections for Grievance Committee persons, Local Union Officers and Delegates for UAW Conventions. Such voting will take place on employee's breaks, lunch hours, or before or after working hours. It is understood that the Union will involve the Personnel Department in making arrangements for this activity.

Section 23. UAW V-Cap Check Off

The Company will provide a payroll deduction procedure for employees who elect to make contributions to a UAW political fund. The Union shall indemnify and save the Company harmless from all claims, demands, suits, or other liability arising out of or by reason of any action taken or not taken by the Company for the purposes of complying with the provisions of this Agreement. The Union will also be responsible for providing the forms that enable the Company to initiate such deductions.

Section 24. Orientation Program

The Union and the Company will develop a Joint Orientation Program within 90 days of ratification. The joint Program will include Union participation in the explanation of all eligible programs, continuing education, apprenticeship, benefits program, health and safety, Union membership responsibilities, and participation.

The joint program will be conducted during normal working hours and all new hires will receive their starting rate of pay.

Duration of allotted time will be mutually agreed upon.

Section 25. Recreation Club

There shall be a Recreation Club consisting of five (5) members either elected or appointed by the Union and five (5) members of Management. The Recreation Club shall meet once each month to jointly administer and budget all joint recreation activities such as summer picnic, Christmas party, etc. Funding for these activities will be derived from the payments made by the Vending Machine Company to the Recreation Fund. The Union, upon request, will have access to all financial information regarding the fund; and all activities and expenditures will be determined by the Joint Recreation Club Committee members.

Section 26. In-Plant Union Office and Equipment

The Company and Union will jointly agree to adequately equip (including furniture, computers, and file cabinets) the Union office.

Section 27. Skilled Trades

1. An employee having seniority in the plant, who enters the skilled trades group, will have a skilled trades seniority date as the day he or she enters the group.

However, it is understood that any previous seniority toward pensions, vacations, etc., will be maintained.

2. In the event of a reduction in force in the skilled trades, the employee's plant wide seniority date will be used for layoff and recall, provided the employee had previously held a position outside the skilled trades.

Skilled Trades

Established criteria for hiring Journeymen.

1. Skilled trades for the purpose of this agreement shall be those trades and classifications listed below:

Maintenance Mechanic	HVAC
Forklift Mechanic	Machinist
Wastewater	Electrician
Millwright	Electronics Technician

2. The term "Journeyman/Woman" as used in this agreement shall mean any person:
 - (a) who presently holds a journeyman/woman classification in a skilled trades occupation as listed in one above, or
 - (b) who has served a bona fide apprenticeship of four (4) years - 8000 hours and holds a certification which substantiates his/her claim of such service, and holds a Certificate of Qualification in such trade.

(c) who has eight (8) years of practical experience in the skilled trade or classification in which he/she claims Journeyman's designation and can prove same. A UAW Journeyman/Woman Card will be accepted as proof.

(d) Any further employment in the Skilled Trades occupations as listed above, after signing of the Agreement, shall be limited to Journeyman/women, apprentices and experienced skilled trades people. The Company will present to the Union proof of qualifications before hiring.

3. Seniority

(a) Seniority in the skilled trades shall be by trades within the Plant.

(b) Future employees entering a trade shall have date of entry seniority in the skilled trades as listed in number one (1) above.

(c) Layoff and recall procedure for skilled trades employees - all layoffs will go by seniority, within their classification.

4. Layoff - In the event of a decrease in force in any skilled trade, the following procedure shall apply:

(a) FIRST, apprentices, trainees will be laid off in the reverse order of their entry into their apprenticeship.

- (b) SECOND, probationary employees will be laid off from their classification.
- (c) IF further employees are to be laid off, such employees will be laid off in order of their skilled trades seniority within the classification seniority list.
5. Shift Preference Shift preference will be by classification seniority. Shift preferences may only be exercised within the same classification.
 6. Physically Disabled – Should a skilled trades employee become permanently medically unable to follow his/her skilled trade, both the Company and the Union will cooperate in endeavoring to place such an employee on a job he or she is capable of performing taking their total seniority with them. However, if placed in a non-skilled classification, he/she shall then forfeit all rights within the skilled trades.
 7. Tools - The company will replace all tools that are damaged through use on the job.
 8. Training - The Company will offer training to skilled trades employees by seniority and, where necessary seniority on each shift, in their respective classifications. Training will be provided whenever practicable in advance of new equipment installation and technology changes. Training may be either on-site or provided by vendors at off-site locations.

9. **Outside Contractors** In order to minimize the potential for reduction of skilled trades employees as a result of outside contracting throughout the life of this agreement, the following joint efforts will be implemented:

- (a) **Planning** – Plant management shall meet periodically to review with UAW Skilled Trades representatives projected work loads regarding the installation, construction, maintenance, repair, service, and warranty work of existing or new equipment, facilities and the fabrication of tools, dies, jigs, patterns and fixtures.
- (b) **Information** – Advance notice of outside contract activities will be provided, in situations other than emergencies, in advance to permit meaningful discussion and a careful analysis of the Company's workforce capabilities in connection with the subject work. This notice will provide the Union with information on the nature of work, including plans and the number trades persons required to perform the work.

The company will consider adding additional skilled trades work, in lieu of subcontracting if an economic justification can be made to the satisfaction of the Company.

- (c) **Layoff Recall** – When Skilled Trades employees are on layoff, and consideration is being given to outside contracting said work, trades employees will be given consideration for the work, before letting the contract provided that they can

perform the available work and if an economic justification can be made to the satisfaction of the Company.

- (d) Full Utilization – It is the policy of the Company to fully utilize its own employees in maintenance skilled trades in the performance of skilled trades work. When such work is required to be performed, skilled trades employees will be given first priority to do such work provided they are capable of performing such work and if an economic justification can be made to the satisfaction of the Company.

10. Licenses

All costs for Company or regulatory required licenses will be paid by the Company.

11. Overtime

Overtime will be equalized by hours (Low week – all week for daily overtime.)

12. Apprenticeship Program

An Apprenticeship program will be jointly developed by the Company and the Union within one (1) year of this Agreement.

13. Drawings – The Company will provide blueprints and Plant layouts for skilled trade employees.

Section 28. Training

Each person in their respective work groups will be cross trained on at least three jobs within their work

group to a rating scale, level three (3) competence. The three jobs shall include the job the employee is currently performing. Training for each job will be as appropriate to attain this level of competence.

The duration of training will be appropriate to the skills required to attain level three (3) competence. The training will consist of the employee observing the job, doing the job with limited assistance and performing the job with trainer observation and evaluation.

Work group employees shall be trained by employees with a minimum of a level three (3) competence rating.

New hires will not be included in the cross training process during their 45 day probationary period.

Section 29. Security Cameras

Security Cameras and devices will not be used for the purpose of monitoring employees' job performances.

Section 30. Cafeteria Committee

There shall be a cafeteria committee consisting of four (4) members of the Union and four (4) members of Management. The committee will meet on a quarterly basis, or sooner if necessary, to review the quality and pricing of the food and reliability of the vendor, the condition of the cafeteria and vending areas (amenities), make recommendations for improvements and monitor these activities to address the concerns of the employees.

Section 31. Foul Weather Gear

The Company will continue to provide foul weather gear for affected employees and provide secure storage areas for such gear. Additionally, weather protection will be provided for equipment that is predominantly used outside.

Section 32. Badging In

Employees may enter any location before their shift start time. However, they may badge in no earlier than 15 minutes prior to start of shift. Additionally, employees must badge in and out in their respective Business Unit Area. It is understood employees are expected to be in their work area and ready to work at shift start time. It is further understood that all time worked must be on paid time.

ARTICLE XXI CONTRACT PRINTING

The Company agrees that as soon as is practicable after signing and ratifying this Agreement (no later than sixty (60) days) to provide sufficient printed proofs of the Agreement to the Union.

The Agreement with calendars showing negotiated holidays, (during the term of the agreement) will be printed by a union printer and copies will be returned to the Local Union within (90) days of ratification.

ARTICLE XXII SCOPE OF AGREEMENT

Section 1. It is agreed that this written contract reflects the entire Agreement between the parties. Amendments or clarifications of this Agreement mutually agreed upon shall be reduced to writing, attached to, and shall become a part of this contract.

Section 2. The parties acknowledge that during the negotiations, which resulted in this Agreement, each has had the unrestricted right and opportunity to present demands and proposals with respect to any matter subject to collective bargaining.

Therefore, the Company and the Union freely agree that during the period of this Agreement neither party shall be obligated to bargain with respect to any matter or subject not covered or referred to in this Agreement, nor with respect to any matter or subject referred to in this Agreement.

ARTICLE XXIII AUTHORIZATION FOR CHECK-OFF DUES

During the 2003 contract negotiations for the Freightliner Cleveland, North Carolina truck plant and PDI Center, the parties agreed to a procedure for the authorization for check-off dues. The following will apply.

Subject to the limitations as provided by the laws of the State of North Carolina and/or Federal law, the Company agrees during the life of this Agreement, to deduct

Union membership dues from the pay of each employee who is a member of the Union, in accordance with the procedures set forth herein and in Exhibit "1" described below. For the purposes of this Letter, pay from which Union membership dues may be deducted shall include all categories of payment to the employee, which the Union Constitution recognizes as appropriate for deduction of dues.

Upon receipt of a signed authorization which is in conformity with the laws of the State of North Carolina and applicable Federal law, the Company agrees to deduct from pay earned by employees who are members of the Union the amount which is certified by the Union as membership dues, including any applicable initiation or reinstatement fees, and remit such amounts monthly to the local Union Financial Secretary. Employees who desire to authorize the request to the Company to make such deductions and payments of their Union membership dues shall use the form attached hereto as Exhibit "1" and entitled "Authorization for Check-Off of Dues." Such authorization shall be subject to the terms of said Exhibit and may be revoked by the employee as provided therein and as provided in Section 302(c) of the Labor-Management Relations Act of 1947, as amended. It shall be the responsibility of the Union to provide such authorization.

The Local Union Financial Secretary shall give written notice to the Company of the amount of membership dues, including initiation or reinstatement fees, deductible in accordance with the preceding authorization. In all cases where a deduction is made which duplicates

payment already made to the Union by an employee, or where deduction is not in conformity with the provisions of the Union Constitution and bylaws and/or terms of this Agreement, refunds to the employee will be made by the Union.

All sums deducted shall be remitted to the local Union Financial Secretary *not later than the fifteenth (15) day* of each calendar month in which deductions are made. At the time of remitting the deducted amounts each month, the Company will furnish the local Union Financial Secretary with a listing of the employees, by name, social security number and amount deducted, for whom payroll deduction of Union membership dues was made. The Union will give the Company prompt written notice of any errors in the listing or remittances.

Once each month, the Company will forward to the local Union Financial Secretary a listing of employees' names indicating the reason for failure to include any sum or sums, which ordinarily would have been checked-off from the pay of the employee covered by the Agreement. *In addition the Local Union will receive an electronically, formatted version of such listing.*

The Union shall indemnify and save the Company harmless from all claims, demands, suits, or other liability arising out of or by reason of any action taken or not taken by the Company for the purposes of complying with the provisions of this letter.

Freightliner Payroll will use the pay rate in effect for the last complete work week of each month for the dues deduction calculation the following month. Thereafter,

all sums deducted will be remitted to the local Union Financial Secretary not later than the 15th day of each calendar month in which the deductions are made. Dues are not payable when a member receives short-term/long-term disability or worker's compensation.

The parties agree and understand that this procedure is solely for the purpose of enabling Freightliner to remit to the Local Union Financial Secretary, all sums deducted, no later than the 15th day of each calendar month.

Union Community Fund

The Company will make monthly payroll deductions of employee contributions to the union community fund and transmit the amounts as instructed in the union community fund authorization agreement.

ARTICLE XXIV HEALTH AND WELFARE

The Company will provide a Health Care plan for UAW represented employees that includes agreed upon design changes in lieu of monthly premiums. All plans will become effective on 1/1/04 and will be administered by the Company for UAW employees under the conditions set forth in Attachment C.

ARTICLE XXV PENSION PROGRAM

Upon request, the company must provide information in a timely manner, regarding pension benefit calculations. The Company will continue a pension plan pro-

gram for UAW represented employees with the same benefit levels and benefit formulas as currently provided in these negotiations. The Company will establish a separate pension plan for UAW represented employees under the conditions set forth in Attachment C.

ARTICLE XXVI PAID SICK LEAVE

Section 1. Beginning on January 1 of each year, paid sick leave in the maximum amount of seven (7) days per calendar year will be awarded to every employee in good standing and not in the attendance disciplinary step of the attendance control program. Attendance control program employees will accrue sick time at the rate of 4.66 hours per month. Any days not taken will be accrued to a maximum of fifty (50) days. An employee with fifteen (15) or more days of accumulated paid sick leave may use five (5) of such days as an additional full week of vacation in accordance with normal scheduling requirements. An employee with twenty-four (24) or more days of accumulated paid sick leave may use ten (10) of such days as additional full weeks of vacation in accordance with normal scheduling requirements.

Section 2. Up to four (4) days per calendar year may be used as personal time at the employee's option provided these days off are scheduled in advance in the same manner as single days of vacation.

Section 3. Any employee with accrued Sick Leave

of five (5) days may cash out the excess above five (5) days (cash out full days only) at any time.

Section 4. Paid sick leave may be used during the statutory waiting period by employees who are off work with compensable injuries. Employees who choose to use contractual sick leave to satisfy the unpaid waiting period will not have any adverse pay impact. *Paid sick leave used for this purpose will not be reinstated.*

Section 5. Employees will be able to continue using accrued sick time based on the current practice.

ARTICLE XXVII SHORT-TERM DISABILITY

Employees absent from work due to prolonged medical or mental illness or injury will be eligible for payments of 70% regular straight time wages during fifty-three (53) calendar days of absence per calendar year. Commencement of disability benefits requires an unpaid waiting period of five (5) consecutive workdays for each incident of illness or injury. Eligibility entitlement also requires that the employee be under the care of a physician who determines him to be unable to perform available work for which he is qualified. At the employee's request, paid sick leave may be used to satisfy the disability waiting period.

There should be no interruption of the waiting period because of paid days from independently established benefits such as paid holidays. In other words, holiday

should be counted toward the satisfaction of the five (5) day waiting period.

Independent benefits such as paid sick leave, holidays, vacations, jury duty pay, or any other paid days for the time not worked, with the exception of 41-time, will not interrupt or extend the five(5) day waiting period. Moreover, where "paid days" occur during a five (5) day waiting period, there will be no pyramiding of independent benefits (for example, vacation pay plus paid sick leave or holiday pay plus paid sick leave).

ARTICLE XXVIII LONG TERM DISABILITY

The company will continue the current Freightliner long term disability program as set in attachment C with the following exception: The Social Security carve out will continue as specified in the summary plan description. However, the offset will begin whenever social security benefits are approved or one year after the initial onset of disability, whichever occurs first. In any case, the over payment recovery provision will apply after six (6) months of continuous disability.

ARTICLE XXIX LIFE, ACCIDENT AND DISABILITY PLANS

The Company will continue to provide continued life, accident, and disability benefits to UAW represented employees that were available on the effective date of this Agreement. Changes agreed upon during 2003 negotiations include the following:

Life Insurance

- A) Company paid life insurance will be increased by \$10,000 for each active employee.
- B) Employees will have the option to purchase additional supplemental insurance equal to management.

ARTICLE XXX **"41 TIME"**

Every employee will receive sixteen (16) hours of 41 time per calendar year from January to January. These hours can be used and made up (at regular rate of pay) so the employee can maintain their sixteen (16) hours throughout the year as outlined below. Unused 41 time at the end of the year will not be carried over or added to the next years 41 time. Time used may be made up within the same payroll week of the usage.

In order to qualify for, "41 Time", approved time off with pay as an employee's absence from work must be for one of the following reasons:

1. A sudden illness or accident of an immediate family member (i.e., unplanned, unscheduled, unanticipated) preventing the employee's presence at work. Immediate family members include spouse, child, brother, sister, parents, parents-in-law, grandparents, and grandchildren of employees.

Clarification: Eligibility will depend upon the necessity of the employee to transport or be present with

the immediate family member when medical treatment is required at a hospital, doctors, dentist's or optometrist office. Pay for time not worked will be limited to the amount of time required to be present at the medical professional's office, plus a reasonable amount of travel time to and from the service provider and/or home or work.

"41 Time" benefits are not applicable to employees who are unable to work because of the need to care for an ill or injured family member.

2. In attendance where major or emergency surgery is to be performed on an immediate family member.

Clarification: As with No. 1 above, pay for time not worked will be limited to the amount of time the employee is required to be present, plus a reasonable amount of travel time. "41Time" used for reasons in #1 or #2 above will be handled in the following manner. If the employee makes up the time, the time will be reinstated. If the time is not made up, it will be lost but it will not be chargeable under the Attendance Control Policy.

An employee may be granted up to eight (8) hours of regular straight time off with pay for each separate occurrence of "41 time" under #1 and #2 above.

3. Physician, dental, and optical appointments of employees, which cannot be scheduled, outside the employee's normal working hours.

Clarification: Employees are expected to, to the extent practical, schedule such appointments at times that do not conflict with their work schedules. However, when alternative scheduling is not available and appointments must be scheduled during working hours, pay for time not worked will be limited to the amount of time required for the appointment, plus a reasonable amount of travel time.

An employee may be granted up to two (2) hours of regular straight time off with pay for each separate occurrence of "41 time" under this #3.

Clarification: The interpretation of "Separate Occurrences" is understood to mean the onset of a new and unrelated illness, injury, or appointment that would qualify for "41 Time" entitlement under Items #1, #2, and/or #3 above.

"41 Time" used for reasons in #3 above will be handled in the following manner. The "41 Time" not made up, will be lost and will not be chargeable under the Attendance Control Policy.

Pay for such time is at the regular straight time rate. In order to receive pay, employees must fill out the "41 time" portion of the Request for Pay during Absence form and submit it to their supervisor for approval and subsequent processing.

The payment of "41 time" shall be at the regular straight time rate for time not worked during the course of a normal and regular workday. "41 Time"

pay does not extend to absences which occur on overtime.

Employees may be required to present documentation to substantiate "41 Time" eligibility.

ARTICLE XXXI
EMPLOYEE RETIREMENT SAVINGS PLAN 401K

1. The Company will continue to provide the current Freightliner Employee Retirement Savings Plan (401K Plan) for UAW-represented employees.
2. The current Company contribution of four percent (4%) on six percent (6%) will be continued during the term of this contract.
3. Effective, upon ratification, the loan transaction maximum will be increased to two (2) loans at any given time.
4. There may be additional investments options made available to employees through the plan. UAW Representatives can propose change recommendations for the Company's consideration.
5. The Company may, at its option, establish a free-standing Plan containing all of the above agreed-upon features for UAW-represented employees.
6. The UAW/Freightliner Employee Retirement Savings Plan will remain in full force and effect for the duration of the Collective Bargaining Agreement of

which it is a part. Any amendments to the Plan during the term of the Collective Bargaining Agreement must be made by mutual consent of the Company and the Union.

ARTICLE XXXII DURATION OF AGREEMENT

Section 1.

This Agreement shall become effective as of December 20, 2003, and shall remain in effect until March 31, 2007, and thereafter until either party serves a sixty (60) day written notice to the other specifying a desire to modify or terminate this Agreement. Should neither party give such sixty (60) day notice, this Agreement shall remain in full force and effect until such notice is given and for sixty (60) days thereafter.

Section 2.

Upon receipt of said notice, the parties shall promptly arrange a mutually agreed upon date to commence negotiations pursuant to such written notice. Any new Agreement or contract modifications negotiated between the parties shall not be binding or effective unless reduced to writing and signed by the Corporate Representative and the Plant Manager and the members of the Local Shop Bargaining Committee, the UAW Regional 8 Director and the Director of the UAW Freightliner Truck Department.

In witness whereof, the parties hereto have set their hands and seals this 22nd day of March, 2004.

Accepted for the Union by:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA - UAW



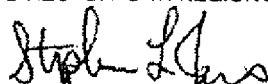
NATE GOODEN, VICE PRESIDENT

DIRECTOR, UAW FREIGHTLINER DEPARTMENT



GARY CASTEEL

DIRECTOR - UAW REGION 8

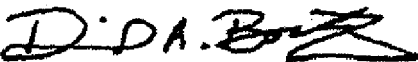


STEVE JONES

ASSISTANT DIRECTOR TO VICE PRESIDENT GOODMAN



INTERNATIONAL REPRESENTATIVE UAW HEAVY
TRUCKS DEPARTMENT

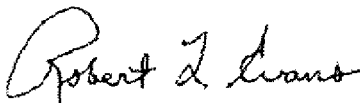


DAVID BORTZ

INTERNATIONAL REPRESENTATIVE UAW REGION 8



PETER DOOLEY
INTERNATIONAL REPRESENTATIVE



ROBERT 'RED' EVANS
INTERNATIONAL REPRESENTATIVE UAW SOCIAL SE-
CURITY DEPARTMENT

UAW LOCAL #3520
BARGAINING COMMITTEE PERSONS:



RONNIE ADCKOCK



STEVE BEAVER



MARK FRYE

Michael Hicks

MICHAEL HICKS

Jerry Holshouser

JERRY HOLSHOUSER

Sheila Howard

SHEILA HOWARD

Gary Moseley

GARY MOSELEY

Glenn Swinford

GLENN SWINFORD

Robert Whiteside

ROBERT WHITESIDE

Al Sides
ABSIDES

Jay Redmon
JAY REDMON

ACCEPTED FOR THE COMPANY BY:
FREIGHTLINER CORPORATION



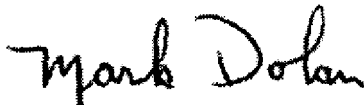
JOHN STEVENSON
PLANT MANAGER



SCOTT EVITT
GENERAL MANAGER, HUMAN RESOURCES



RUSS MILLER
HUMAN RESOURCES MANAGER



MARK DOLAN
LABOR RELATIONS SPECIALIST



MIKE HELLER
LABOR RELATIONS SPECIALIST

ATTACHMENT B EMPLOYEE ASSISTANCE PROGRAM

It was also agreed that where the Freightliner Drug and Alcohol Policy allows for only one (1) opportunity for treatment for a drug or alcohol dependency via a "last chance agreement", Freightliner will provide for one (1) additional treatment opportunity for an employee under the following conditions:

1. The employee was a prior "last chance" participant who has satisfactorily completed the program and the agreement has been terminated;
2. The employee signs and abides by a second "Last Chance Agreement" under the same conditions as the first "Last Chance Agreement."

During or following treatment, the employee should not expect any special privileges or exemptions from standard personnel practices; and

Nothing in this statement is to be interpreted as constituting any waiver of Management's responsibility to maintain discipline or the right to invoke disciplinary measures in the case of misconduct, which may result from or be associated with the use of alcohol or drugs or personal problems. The Union may exercise its right to process grievances concerning such matters in accordance with the Freightliner-UAW Agreement;

It is understood that an employee who fails to meet all of these conditions at the time a second opportunity is

requested or required will not qualify for the second opportunity and employment will be terminated for violation of Company Policy.

The employee who receives a second opportunity will be given leave of absence as needed; however, only medical coverage for treatment will be provided. The *Company Short-Term Disability* payments will not apply.

Freightliner and United Auto Workers Union agree that if *Employee Assistance Program Services* fails to live up to the expectations of the parties, another provider of such services may be agreed upon by mutual agreement, provided the costs of such other provider is no greater than the current provider.

DRUG & ALCOHOL POLICY

I. PURPOSE

This policy is intended to provide a safe and productive work environment for Freightliner employees by elimination of drug and alcohol presence or influence in the workplace and to ensure the opportunity for continued employment to those who have a drug or alcohol problem by voluntary participation in a treatment program.

II. SUMMARY

This policy describes practices and procedures to ensure that work environments are free of the presence of illegal drugs and alcohol and that employees are capable of performing their tasks safely and efficiently without the influence of any legal or illegal drug or alcohol.

III. POLICY

It is Freightliner policy that employees may not possess, use, manufacture, or distribute illegal drugs or alcohol on Freightliner premises or be under the influence of drugs or alcohol on Freightliner premises.

The Company reserves the right to conduct a search of employees and their property and to require drug screening, at management's discretion, for the purpose of enforcement of this policy.

IV. DEFINITIONS

- A. **Illegal Drugs** – Any drug that is illegal under federal, state or local law. Any legal drug which has been illegally obtained or for which a valid prescription is required and lacking.
- B. **Under the Influence** – Behavior that adversely affects job performance, mobility, safety or speech with evidence of drug or alcohol usage. Drug or alcohol resulting in a positive drug screen
- C. **Positive Drug Levels** – The minimum quantitative level for marijuana (THC) by urine sample is 50ng/ml to be considered positive for drug testing purposes.

The minimum quantitative level for alcohol by urine sample is 38 mg/dl for reasonable cause testing. This is equivalent to 50 mg/dl by blood sample or .05% blood-alcohol.

The minimum quantitative level for alcohol by urine sample for testing in accordance with the "Last Chance Agreement" is 8 mg/dl. This is equivalent to 10 mg/dl by blood sample or .01% blood alcohol.

All other drugs testing require only a positive identification.

V. PRE-EMPLOYMENT TESTING

All persons to be assigned employment will be required to take a physical examination which will include a drug screening test. Any applicant who fails the drug screen will be disqualified from employment and may not re-apply within one (1) year.

VI. RESTRICTIONS ON COMPANY PREMISES

- A. **Illegal Drugs** – The possession, use, manufacture, or distribution of illegal drugs or alcohol on Company property is specifically prohibited and will be cause for discharge.
- B. **Under the Influence** – Reporting for duty or working *while under the influence of any drug or alcohol* (whether or not legally intoxicated) is specifically prohibited and will be cause for suspension without pay or discharge, depending on the circumstances.
- C. **Positive Drug Levels** – Employees who are required to take prescription drugs, which may influence performance must report such drug usage to management for determination of work capability. Failure to do so will be cause for disciplinary action.

VII. PROCEDURES

A. Testing

1. **Impairment:** When the Company has reasonable cause to believe that an employee is demonstrating signs of impairment due to the influence of drugs or alcohol he/she will be taken to a medical facility for diagnosis and drug screening. Impaired employees are prohibited from driving and transportation arrangements will be made for them by the Company.
 2. Reasonable cause shall be defined as those circumstances, based on objective evidence about the employee's conduct in the workplace, that would cause a reasonable person to believe that the employee is demonstrating signs of impairment such as difficulty in maintaining balance, slurred speech, erratic or atypical behavior, or otherwise appears unable to perform his/her job in a safe manner.
 3. **Accident:** Employees who are involved in a preventable accident will be treated for the accident/injury first, and subsequently may, at management's discretion, be required to submit to drug screening.
- B. **Search** – Employees may be required to empty the contents of their clothing, purses, and other containers if reasonable cause exists to believe that they are in possession of prohibited substances.

- C. **Positive Test Results** – Employees who have a positive drug screen indicating drug or alcohol usage will be placed in the Treatment Program as provided at VIII below.
- D. **Failure to Cooperate** – Employees who fail to cooperate with management's enforcement of this policy by refusing to allow a drug search, permit confiscation of suspected material, or submit to a drug screen will be considered insubordinate. Such insubordination will be cause for discharge.

VIII. TREATMENT PROGRAM

One opportunity for treatment will be provide to employees who have a drug or alcohol dependency or a positive drug screen. Participation in a treatment program and continued employment will be in accordance with the terms and conditions of a written agreement, provided by the Company. Such participation will be kept confidential, and employees will be excused from work or provided a medical leave of absence as required by the program.

IX. DISCIPLINE

Any discipline provided in accordance with this policy shall be characterized as *"violation of Company policy"*.

X. FEDERAL CONTRACT EMPLOYEE REQUIREMENTS

In addition, employers who are engaged in the performance of a federal contract are required, as a condition

of employment, to abide by Company's prohibition against controlled substances in the workplace and must notify the Company of any criminal drug statute violation occurring in the workplace no later than five (5) days after that conviction. Company's prohibition against controlled substances in the workplace and must notify the Company of any criminal drug statute violation occurring in the workplace no later than five (5) days after that conviction.

ATTACHMENT C BENEFIT PLANS

The following is an outline of pension, 401k, health, life insurance and long-term disability benefits for UAW employees at Freightliner Corporation's Cleveland Truck Manufacturing Plant as agreed between Freightliner and the bargaining unit's representative. Specific language for the respective plan documents is to be developed, and will reflect the content of this outline.

Pension Benefits

1. Freightliner will continue the existing plan, which will be administered by the Freightliner Investment Committee in accordance with the plan and Master Retirement Trust documents. Freightliner will continue to fund the plan on an ongoing basis as is necessary to ensure that the minimum funding requirements under federal regulations are met.
2. Freightliner will manage and administer the existing plan. A bargaining unit representative shall be en-

titled to participate in the dispute resolution process as described in attachment C-4. All investment management shall remain exclusively under Freightliner's authority.

3. All Freightliner UAW employees who have retired since April 16, 1990 will be covered by the negotiated plan.
4. Freightliner will nominate certain managerial employees to participate in a joint Freightliner/UAW Benefits Study Group, such group to be responsible to research and recommend various benefit alternatives within the existing cost structure of the plan.
5. Credited and vesting service will be granted for periods of disability, provided the employee remains disabled under the terms of the long-term disability plan, and during periods of union leave which are granted in accordance with Article XIV, Section 3, and Letters of Understanding, not to exceed six (6) months duration. Credited and vesting service will also be granted for periods of International Union Leave for any one employee for up to two years.
6. During the 2003 negotiations it was agreed that *pension service credit will be computed from date of hire for all employees.*

Health Benefits

The Company will provide Health Care Benefits for employees that includes agreed upon design changes in lieu of monthly co-pays.

Life Insurance Benefits

Company paid coverage will be increased by \$10,000

Long-Term Disability (Extended Sick Pay Plan) Benefits

Freightliner will continue the existing plan, and the Social Security carve out provision will be changed to begin whenever Social Security is approved or one (1) year after the initial onset of disability, whichever occurs first.

General, Applied to All the Above Mentioned Plans

1. Future changes in the plans, with the exception of the following categories, will be subject to the approval of the bargaining unit representative, which approval may not be unreasonably withheld or unreasonably delayed:
 - Those changes heretofore mentioned, or contained in specifically mentioned Attachments or Exhibits;
 - Legal changes which affect the benefit structure and over which Freightliner has no control;
 - Selection of insurance provider; and
 - Investment management of any trusts.
2. The new plans, or their interpretation, will not be subject to the grievance or dispute resolution procedure of any collective bargaining agreement.
3. The plans, and the changes embodied in the plans, will be effective for the term of the Collective Bargaining Agreement.

The foregoing meets the common understanding of both parties.

ATTACHMENT C-4
DISPUTE RESOLUTION PROCEDURE
- PENSION PLAN

Freightliner agrees that a Dispute Resolution Board be established, consisting of one (1) managerial employee selected by the Company and one (1) UAW member selected by the Union.

This Board shall be empowered to:

1. Receive disputed cases and appeals from individual employees, limited to questions of Pension Plan eligibility, construction of credited and/or vesting service, and benefit calculations. Such disputed cases and appeals must be submitted to the Board in writing.
2. Establish appropriate procedures for reviewing disputed cases and appeals.
3. Consider and recommend methods of communicating with and furnishing information to employees regarding the Pension Plan.
4. Resolve disputed cases in accordance with then-existing Pension Plan provisions. The Board may not alter or amend the provisions of the Pension Plan.

If the Board shall not agree on resolution, an impartial Arbitrator may be selected in accordance with the rules

of the American Arbitration Association, who shall consider the case and relevant facts and resolve the dispute. The impartial Arbitrator must not alter or amend the provisions of the Pension Plan, basing the resolution solely on the then-existing provisions of the Plan and the facts presented. The decision of the Arbitrator is binding on all parties.

The fees and expenses of the Arbitrator shall be paid one-half by the Company and one-half by the Union.

No ruling or decision by the Board or the Arbitrator in one case shall create a basis for a retroactive adjustment in any other case prior to the date of written filing of each such specific claim.

The Board shall be furnished with a copy of the following documents on an annual basis:

- Form 5500;
- The Actuarial Valuation;
- The Trustee Report;
- A census report for all active UAW employees which will show credited and vesting service, date of birth, date of hire, date vested, current wage rate, and any other indicative data that should be reasonably requested by the Union;
- A census report for all retired UAW employees which will show date of retirement, benefit option elected, monthly benefit payment amount, and any other indicative data that should be reasonably requested by the Union; and
- Any other financial plan data requested by the full Board.

The above procedures shall apply in principle, but are subject to modification by the parties in their specifics

as may be necessary for their incorporation in or coordination with Plan language and administrative procedures.

LETTER OF UNDERSTANDING RESERVED PARKING

During 2003 negotiations, the Company agreed to reduce the size of the Reserved Parking Area to accommodate a maximum of eighty (80) spaces, which will be available for customers, suppliers, visitors, office and management employees. Additional space may be provided and configured as necessary for disabled individuals.

LETTER OF UNDERSTANDING ATTENDANCE CONTROL POLICY

An employee's regular attendance on the job is of vital importance for the efficient operation of our business. Disruption of established work schedules due to excessive absenteeism places a heavy burden on fellow employees as well as on the planning necessary to achieve production goals. In order to maintain acceptable standards of attendance and to provide for fair and consistent treatment of employees receiving corrective action for excessive absenteeism, the following attendance monitoring and absentee control program is effective upon ratification. The parties further acknowledge this policy is a reasonable work rule and corrective discipline will be imposed under Sections III and IV of this Article.

I. ABSENCES (Non-Chargeable)

Absences for the specific reasons listed below are not charged against the employee's attendance record:

1. Negotiated Paid Sick Time ("03 Time")
2. Short-Term Disability in Excess of Five (5) Days
3. Approved Military Leaves of Absence
4. Holidays
5. Vacations
6. Jury Duty
7. Court Appearance (only as a subpoenaed witness and not as a principal of the court action itself)
8. Bereavement (as defined in the Agreement)
9. Time Lost due to Industrial Injuries accidents or illness
10. Layoff or Temporary Plant Shutdown
11. Time Lost due to Plant Emergencies (power failures, bomb threats, tomadoes, etc.).
12. Disciplinary Suspensions
13. Approved Leave for Union Business
14. Approved Personal Leave of Absence (must be pre-approved and at least five (5) days in duration)
15. Medical Leave (including the five (5) day waiting period)
16. FMLA
17. "41 Time"
18. Bad weather time (per Article XX, Section 7)

II. ABSENCES (Chargeable)

Absences for the following reasons will be charged against the employee's attendance record (even though in some cases the time is paid)

1. *Casual Absenteeism*
2. *Tardy/Leave Early*
3. *Committed Overtime*

III. PROCEDURE:

A. *The program will be administered on a continuous twelve (12) month basis beginning on the date of the employee's first chargeable absence. All chargeable absences will be accumulated over a twelve (12) month period. On the anniversary of the day in which an absence occurred, it will be subtracted from the employee's total. For example, if an employee was absent on December 1, January 3, and May 8, he would have a total of 24 charged absent hours on May 9. If no additional time was accumulated by December 2 of the following year, his chargeable hour total would be reduced to 16 hours to reflect the subtraction of the eight (8) hours assessed on December 1 of the previous year.*

B. *The progressive Disciplinary Steps are as follows:*

<i>24 Hours -</i>	<i>Written Warning</i>
<i>40 Hours -</i>	<i>Final Warning</i>
<i>50 Hours -</i>	<i>Termination</i>

IV. TARDINESS OR LEAVE EARLY

Tardiness and leave early occurrences (except for reasons listed above) will be charged against the employee's attendance record. In addition, tardy and leave early occurrences will result in corrective discipline based on the following:

- Step 1. A guidance and counseling will be issued when an employee has two (2) or more occurrences in a month.
- Step 2. Two (2) additional occurrences in a month (within a twelve (12) month revolving period) will result in a Written Reprimand. 1st warning.
- Step 3. Two (2) additional occurrences in a month (within a twelve (12) month revolving period) will result in a 2nd warning. (in lieu of suspension).
Two (2) additional occurrences in a month (within a twelve (12) month revolving period) may result in Termination.
Employees should keep in mind that the purpose of the program is not to intimidate or impose discipline but to correct attendance problems.

**LETTER OF UNDERSTANDING
DISCIPLINE AND ATTENDANCE RECORDS**

The Company will expunge all existing attendance records for all employees effective with the ratification of this Agreement.

**LETTER OF UNDERSTANDING
SICK PAY ("03 TIME")**

To streamline the pay request procedure the Union and the Company agree that employees' sick pay ("03 time") will automatically be paid from the absentee call in to the "TIPS" line.

**LETTER OF UNDERSTANDING
U.S. HEALTHCARE SYSTEM CONCERNS**

Freightliner and the UAW have long recognized the major problems we jointly confront with the U.S. health care system. The Corporation and the UAW share a serious concern about the high cost and open-ended financing of the health care system and the large number of uninsured. The high cost of health expenditures diverts corporate funds from other business priorities that will enable funds from other business priorities that will enable Freightliner to *compete more effectively* in the market place. The increasing amount of national resources allocated to health care at the *expense of other national priorities*, adversely impacts the nation's ability to compete with other industrialized countries.

Both Freightliner and the UAW share the common objective for a high quality health care delivery system within our nation that is accessible to all and which functions in a cost effective manner. In this regard, Freightliner and the UAW jointly agree to support approaches directed towards achieving prompt and lasting national policy solutions, which will assure high quality care to all individuals. Such approaches should include strong cost containment, equitable financing, and appropriate quality assurance mechanisms.

LETTER OF UNDERSTANDING LIGHT DUTY PLACEMENT

The Company will attempt to place employees with medical restrictions into jobs they can perform. However, in doing so, it is understood and agreed that more senior employees cannot be displaced by less senior employees.

LETTER OF UNDERSTANDING FREIGHTLINER LLC PRODUCTS

Freightliner will establish an employee product program for Cleveland TMP and PDI Center employees, retirees and their family members that include a rebate directly from the Company. Specific re-bate amounts will be determined by the Company on a case by case basis in consideration of product model specifications, market conditions and other relevant criteria. The General

Manager of sales and Marketing will administer this program for Freightliner LLC.

**LETTER OF UNDERSTANDING
Plant Closing – Cleveland**

Freightliner's Class 8 models and their replacements shall be produced at Cleveland Truck Manufacturing facility. Absent compelling economic circumstances beyond the control of the company, Freightliner plans to operate the Cleveland TMP facility at levels consistent with product demand for the duration of the 2003-2007 Labor Agreement.

It is understood that conditions may arise that are beyond the control of the Company, e.g., act of God, catastrophic circumstances, or significant economic decline. Should these conditions occur, the Company will discuss such conditions with the International Union.

**LETTER OF UNDERSTANDING
UNION FLAG**

Freightliner will make arrangements to fly the UAW Flag in front of the plant and PDI.

**LETTER OF UNDERSTANDING
JOINT UAW/FREIGHTLINER QUALITY STICKER**

Within six (6) months after ratification of this agreement, a UAW sticker will be placed at a mutually agreeable location on each truck manufactured at Cleveland.

**LETTER OF UNDERSTANDING
TRANFERS FOR OTHER FREIGHTLINER
FACILITIES**

Freightliner employees who transferred from other facilities in to the Cleveland TMP after January 29, 2003 will be given date of entry seniority.

For purposes of vacation, pension, etc. their corporate seniority will be used.

**LETTER OF UNDERSTANDING
LEAD PERSON CLARIFICATION**

This will confirm the understanding reached between the Company and the Union during the 2003 Negotiations concerning the Lead Person classification.

1. The primary general job responsibilities for Lead Persons are:
 - A. Communicating work instructions and job specifications when directed by management assigned to their business unit work group.
 - B. Training employees.
 - C. Solving problems related to safety and quality of work.

D. Filling in for manpower shortages created by absenteeism, vacations, etc.

2. Lead Persons will have no vested authority in recommending for hiring, promotions or in disciplinary matters involving other employees.
3. It is understood that no overtime shall be worked by a Lead Person without at least one employee from their assigned business unit work group. It is further understood that the Lead Person shall be able to work overtime provided no eligible employee has volunteered for the overtime work.
4. Lead Persons will be assigned to specific work groups within business units.
5. Lead Person reduction will be by the least senior Lead Person in a business unit.
6. Lead person recall will be by the most senior, involuntarily displaced or reduced from the classification to the business unit they were in at the time of displacement.
7. Job posting form must specify which work group within the business unit a Lead Person opening is in.
8. Vacation scheduling will be scheduled as a separate group in the business unit to which the Lead Person is assigned.

LETTER OF UNDERSTANDING Alternative Work Schedules

The parties agree to consider alternative work schedules during the term of this contract in order to best achieve fluctuating production requirements inherent in the cyclical commercial vehicle market. Various potential shift configurations will be reviewed, including a 2 x 5 x 10 model presented by the Company during 2003 negotiations. Additional proposals from the Union will likewise be discussed. If necessary, the objective will be to significantly increase production and manpower without incurring expensive facilities expansions to accommodate unsustainable rates.

In the event of alternative work schedules are not implemented, the Company may, by mutual agreement schedule up to four (4) additional Saturdays per Contract year beyond the maximum specified in Article VIII, if necessary, in response to extreme market demands. Mutual agreement will not be unreasonably denied.

LETTER OF UNDERSTANDING HEALTH AND SAFETY

The Company recognizes the importance of setting line speeds in a manner that considers both employee safety as well as productivity. In that regard, hazards associated with speeding up the line will be addressed by: maintaining a log of changes in line speed on each line, limiting the number of management personnel authorized to increase line speed, notifying employees on the line in advance of increasing line speed and

correcting maintenance and production problems that cause down time.

With the exception of the A Cab line, the speed of existing lines will not be increased beyond 30% of daily production rate. (50% of the A Cab line.)

LETTER OF UNDERSTANDING
Safety Shoes

The Company will reimburse employees required to wear safety shoes \$75 per year for normal wear and two (2) times a year for severe use areas when necessary based upon recommendations and approval of the Joint Health and Safety Committee. The Company and Union will select mutually agreeable safety shoe vendors.

LETTER OF UNDERSTANDING
Black Belts, Kaizen Tech, Pit Crew

Job postings were discussed during 2003 negotiations and it was mutually agreed they are acceptable for use during the term of the Agreement. It was also agreed that it is not necessary to include those documents in the Agreement. They will be used for Administration and record keeping purposes only.

LETTER OF UNDERSTANDING
Cleveland PDI - Vacation

For clarification purposes, it is understood that all existing vacation scheduling practices at the PDI Center will continue without change, except as follows: (1) the annual vacation sign up period will be in December

beginning 12-01-2004; and (2) a maximum of one full week of unused vacation entitlement from the previous year may be deferred to the next succeeding vacation year.

LETTER OF UNDERSTANDING
Health & Safety Issues for Cleveland PDI

1. Tools will be organized, readily accessible and properly maintained. Special emphasis will be made to provide and maintain torque guns and torque wrenches and an adequate supply of shop rags.
2. The company will reduce or eliminate slippery surfaces including the pits caused by fluids.
3. The company will implement a safety procedure to ensure that employees are not put at risk when trucks are either started or driven.
4. Fans will be placed in the pits to provide airflow and be provided in other areas as approved by the PDI safety committee representatives.
5. The company will increase make-up air and exhaust to reduce truck exhaust and space heater exhaust.
6. The company will provide for training and inspection of cranes.
7. The practice of blocking emergency exits or eye washes with fork trucks or other equipment will be discontinued.

8. The company will maintain adequate first aid equipment and supplies on site, including a portable defibrillator.
9. New installations will be reviewed with the PDI safety committee representatives to assure safety protections are in place.
10. The company will train all employees in safe driving techniques for moving trucks and tractors. The company will provide the necessary licenses and certification as required by law to employees who are required to drive trucks or tractors on public roadways. The cost of obtaining and the maintenance of the license will be paid by the Company. The company will discontinue the practice of transporting employees on truck beds and assure safe transportation to or from assignments.
11. The company will develop procedures and review possible control methods, including lengthening a pit, to protect employees when accessing pits to service long bed trucks.
12. The company will assure that fall protection will be provided while materials are being unloaded in the mezzanine area.
13. The company will adhere to all regulatory guidelines for storage of flammable liquids and gases.
14. The company will designate a loading/unloading area zone to reduce congestion and protect pedestrians.

**LETTER OF UNDERSTANDING
Cleveland PDI**

"Uniforms -- Optional"

The Company will continue the practice of providing uniforms to PDI employees. However, employees who elect not to avail themselves of this program will not be required to participate. Determination of whether or not to participate will be made on a semi-annual basis.

**LETTER OF UNDERSTANDING
Cleveland PDI**

"Reporting For Work -- Sign In At Office"

In cases where "reporting pay" is applicable, an employee will be deemed to have reported to work provided he / she signs in at the Administrative Office prior to the regular shift starting time.

For absence reporting, PDI employees will notify the Company of impending absences by a telephone answering machine. In the event the TRAC's / TIP's system is implemented at the PDI, absence reporting may be accomplished through this means in the future.

**LETTER OF UNDERSTANDING
Cleveland PDI**

Door Openers

As a result of issues raised by the Union during 2003 negotiations, the company will agree to install remote

operated garage door openers to the outside PDI doors. These controls will be available so that employees can avoid exposures to inclement weather when accessing the facility for servicing vehicles.

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